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Review of the management of implementing partners in United Nations system organizations

Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly the report of the Joint Inspection Unit entitled "Review of the management of implementing partners in United Nations system organizations".

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JIU/REP/2013/4

REVIEW OF THE MANAGEMENT OF IMPLEMENTING PARTNERS IN UNITED NATIONS SYSTEM ORGANIZATIONS

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Executive Summary

Review of the management of implementing partners in United Nations system organizations

JIU/REP/2013/4

Partnerships with public and non-public entities have become essential for most United Nations system organizations in pursuing their mandates. In many such partnerships the organizations assign the implementation of programme activities to implementing partners (IPs), to which they allocate resources (funds and materials) to enable programme delivery. Overall, the volume of United Nations resources entrusted to IPs is significant. Some organizations expend over half their annual budgets via IPs.

In transferring funds to third parties, United Nations system organizations are expected to establish governance structures and other measures of accountability to ensure that funds have been used efficiently, for intended purposes, and with minimum risk of fraud, corruption and mismanagement. Against this standard, the United Nations internal and external auditors have repeatedly raised concerns over IP performance and oversight. Today Member States, reflecting these concerns, are demanding greater accountability on resources allocated to IPs.

For United Nations organizations engaged in development and humanitarian assistance in diverse political, economic and social settings, the sound management of IPs presents a complex challenge. IPs vary widely and include host government entities, national and international NGOs, civil society groups, and academic and research institutions.

Over time, organizations have developed IP relationships in accord with their own mandates, business models and management systems. Plainly, no one-size-fits-all approach can be prescribed for diverse United Nations system organizations in managing the multiplicity of IPs.

This report reviews the methods currently used by these organizations to select and manage IPs, attempts to find common elements and challenges, identifies good practices, and makes recommendations. The report contains 12 formal recommendations (two to the legislative organs, and ten to executive heads of organizations). The report also includes observations and suggestions addressed to executive management.

Main observations and findings

A number of United Nations system organizations lack a strategic approach to partnering and have *ad hoc* and incoherent methods in engaging with IPs. There are, however, on-going efforts in some organizations to improve or develop institutional frameworks — policies, procedures and guidelines — for managing IPs.

- ***There is no clear definition for partnerships in general or implementing partners in particular.*** United Nations system organizations use various terms and definitions depending on their business models and type of intervention. In addition to engaging IPs to deliver programmes, organizations enter into other, non-IP partnerships that do not involve transfer of funds. Organizations also establish arrangements with third parties, such as common services agreements or commercial service contracts, which may be perceived as partnerships.

  Regulations governing these various 'partnerships' differ widely. To differentiate partnership modalities from one another and to achieve clarity on what rules and regulations apply to implementation arrangements, organizations need to establish a clear definition for their IPs as distinct from other partnership arrangements. This will facilitate accountability and transparency, and prevent deviation from procurement and other applicable regulations. (See **Recommendation 1**)

- ***Many organizations lack readily available key information on IPs.*** Readily available information should include the types and names of partners, the funds allocated to them, the projects in which they are or have been engaged, and an evaluation of their performance. Instead, such information is typically dispersed among many offices, and additional manual intervention is required to make it available in an aggregated manner. Senior management and legislative bodies are deprived of having readily available information on significant resources expended by IPs and this may hinder accountability and informed decision-making. (See **Recommendation 2**)

- ***IP management at each organization should employ a strategic approach.*** Exploring and maximizing the contribution of IPs requires a decision framework that uses an organization's corporate strategic objectives as the basis for determining partnership requirements. Such an approach would establish and promulgate a common vision and help ensure that individual field offices do not undertake partnerships that diverge from corporate goals and priorities. An IP strategic approach, in each organization, would also help to identify and realize advantages in dealing with partnerships which may not be fully recognized otherwise.

  A United Nations organization's strategic framework for IPs should specify several key elements, including: (a) why enter into partnership (*i.e.*, strategic direction, benefits/risks, national capacity building); (b) what the partnership should achieve (*i.e.*, goals/objectives); (c) with whom to partner (modalities, comparative advantages); and (d) how to engage with, manage and disengage from partnerships (agreements, management processes, monitoring, evaluation, lessons learned). (See **Recommendation 3**)

For several United Nations system organizations, host government entities are major Implementing Partners. In response to the Paris Declaration on Aid Effectiveness and the Rome Declaration on Harmonization and relevant General Assembly resolutions, some organizations have adopted National Execution (NEX) and National Implementation (NIM) as their standard implementation modality. Other organizations have adopted similar modalities as part of the effort to support national ownership and capacity-building.

- The challenges of programme implementation through NEX/NIM or similar modalities, and the associated risks and costs, are the subject of on-going discussion within the United Nations community. Among United Nations system management and staff a prevalent view is the need to share risk among donors, Member States, United Nations organizations and recipient governments when delivering programmes through national entities. Although NEX/NIM may appear as somewhat riskier programme delivery in the short term, several relevant United Nations resolutions have emphasized the longer term benefit in national ownership and capacity-building.

  Recent years have seen sporadic efforts to determine what has been achieved on a United Nations-wide basis, in national ownership and capacity building in line with the QCPR. A few United Nations system organizations have addressed this topic within their own operations. But the question of how United Nations interventions across the system have impacted national ownership and capacity-building merits a systematic exploration. This should be the subject of collective reflection among United Nations entities and the topic of a system-wide comprehensive study. (See **Recommendation 5**)

The selection and management of IPs should be based on in-depth assessments of their capacities, sound legal agreements to safeguard United Nations interests, risk-based monitoring and reporting, robust auditing and evaluation, and improved fraud awareness and prevention. Across the full range of United Nations system organizations and widely varying IPs, these are essential elements that constitute the foundation for effective IP selection and management.

- ***In-depth IP assessments during the selection process are essential for effective and efficient programme implementation.*** Such assessments, made against rigorous selection criteria, will help to identify risks and capacity gaps and will point to risk-mitigation measures. At present, there are significant variations in how United Nations system organizations conduct and document their IP assessments. Some organizations use the Harmonized Approach to Cash Transfers (HACT) modality while others employ their own methodologies. In numerous instances, these assessments are inadequate in their content and analysis and in verifying information provided by the IPs. In the worst cases, IPs are not assessed at all. (See **Recommendation 4**)

- ***Agreements such as memorandums of understanding (MOUs) and letters of agreement (LOAs) are important to the legal foundation for effective IP operations. Such documents should contain certain essential provisions to safeguard United Nations organizations' interests and rights.*** At present, such agreements sometimes lack the elements necessary to cover all phases of project implementation. Some agreements, for example, fail to include adequate provision for the auditing of IPs and their subcontractors. Some have shortcomings with regard to provisions on codes of conduct, anti-terrorism and anti-corruption, restitution, procurement, property rights, and legal liability. (See **Recommendation 6**)

- ***Effective monitoring and reporting of IP work is essential in assuring that funds are being spent as intended and that results are achieved.*** Despite noticeable improvements in recent years more needs to be done to ensure robust and effective monitoring of IPs. At present, monitoring relies too heavily on reports provided by the IPs themselves, often with no systematic verification by United Nations staff. A major constraint to effective monitoring is the lack of capacity on the part of the organizations, both in terms of resources (staff and other) and of technical expertise. For some country offices, field visits to project sites are the exception rather than the rule. Some organizations not only lack monitoring mechanisms but often have no direct access to the beneficiaries, and rely entirely on IP self-reporting. Organizations with numerous IP projects and limited staff would benefit greatly from a robust risk-based monitoring framework which would facilitate allocation of scarce monitoring resources to projects having the highest risk exposure. (See **Recommendation 7**)

- ***In line with Results Based Management principles, key performance indicators and other performance measurements are needed to determine individual performance of IPs and assessing results achieved by programmes/projects implemented by IPs.*** Performance evaluations of IPs and their work are not systematically done in most organizations. Clear pre-set performance criteria and indicators should be included in the IP agreements and related documents to form the basis against which to measure IP performance and programme/project outputs, outcomes, results and impacts.

- ***For the United Nations system, the magnitude of IP-related fraud remains relatively unknown. The United Nations Board of Auditors (BoA) and internal audit offices have highlighted that the level of reported fraud in the United Nations system is unusually low. Similar observations were made by the Independent Audit advisory Committee (IAAC). This ostensibly rosy picture of low fraud levels should be a matter of concern to management and legislative bodies alike.*** For United Nations system organizations to achieve and sustain a zero-tolerance culture to fraud, United Nations staff needs better training and guidance to support a systemic anti-fraud effort. Especially at the country level, fraud awareness training should cover not only occupational fraud but also such areas as misconduct and fraud when engaging with third parties. Organizations also need to

revise oversight function charters to ensure they have the right to investigate third parties involved in implementing United Nations-funded activities. (See **Recommendations 8 and 9**)

- ***Effective United Nations action through IPs requires better training of both IP and United Nations staff in such areas as financial management, accounting, procurement and human resources management***. On the IP side, the training deficiency is exacerbated by the need for IP staff to engage with multiple United Nations agencies whose management and operating systems may differ widely. Of even greater importance, however, is the need for United Nations staff to receive specialized training in all aspects of IP selection and management. Costs associated with such training should be identified up front as part of the budget and programming process.

- ***Existing automation systems are not adequately supporting the IP management process***. As stated the complexity of having important data on IPs in an aggregated and user-friendly manner is a challenge facing most United Nation system organizations. There is need to make use of automation techniques and especially the capabilities of existing automation systems, such as ERPs and other database tracking systems, with the aim to ensure that these systems also support the management of IPs. More serious is the case of organizations that lack centralized or even decentralized IP databases or partner portals or lack fully employed ERP systems. There exists a significant gap of sufficient IP automation tools that may impede the effective and efficient management of IPs. (See **Recommendation 10**)

Within the United Nations system, inter-agency cooperation and information-sharing on IP issues is deficient both at the country level and also among agencies at the headquarters level.

- The process of consulting and sharing information on IPs at the operational management group of the United Nations Country Team occurs on an *ad hoc* basis. In most cases, the Resident Coordinator Offices do not have a basic list of IPs that various agencies have worked with. Little consultation among organizations precedes the signing of new agreements with IPs, and in many cases no information is shared even on IPs with questionable performance records that should normally invite scrutiny. (See **Recommendation 11**)

- Similarly, no forum exists among agencies at the headquarters level for discussing all-encompassing issues related to IPs in particular and partnerships in general. One exception involves HACT-related issues that receive attention at the United Nations System Chief Executives Board for Coordination (CEB)/United Nations Development Operations Coordination Office (UNDOCO) level in efforts to harmonize cash-transfer processes. Thus, as a general rule, the majority of United Nations system organizations are engaging with IPs in the absence of shared knowledge on issues such as policy directions, modalities, capacity-building, pre-assessments/due diligence, legal agreements, and the entire realm of monitoring, reporting and auditing. Accordingly, organizations are missing fundamental opportunities to draw from the

valuable experiences arising from work done by others. Such sharing would be particularly valuable to organizations now engaged in updating their IP policies and procedures. (See **Recommendation 12**)

Recommendations

Recommendation 1

The executive heads of United Nations system organizations should act to ensure that their respective partnership arrangements involving the transfer of United Nations resources to third parties (notably Implementing Partners) are clearly defined as being distinct from other types of partnerships not receiving United Nations funding, as well as from commercial contracts, in order to make sure that appropriate rules and regulations apply in the different cases.

Recommendation 2

The executive heads of United Nations system organizations should ensure that key information on Implementing Partners such as expenditures by purpose (programme, project, activity etc.), modality (e.g. national government entity, NGO/CSO etc.), and evaluation of their performance are readily available in their organizations. Such key information should be reported regularly to legislative bodies, within the existing reporting mechanisms.

Recommendation 3

The legislative bodies of the United Nations system should direct the executive heads of their respective organizations to prepare and submit to them an organization-specific comprehensive strategic framework for partnerships, inclusive of Implementing Partners, aligned to their overall corporate strategic objectives. Such framework should include an analysis of resources required to operationalize it.

Recommendation 4

The executive heads of United Nations system organizations should establish rigorous Implementing Partner assessment and selection processes designed to determine the capacity and potential weaknesses and risks of an Implementing Partner, and ensure its capability to fulfil programme delivery requirements.

Recommendation 5

The General Assembly, in the context of the QCPR and in line with the on-going effort to develop a common United Nations framework for measuring progress in national capacity development, should commission a system-wide study to take stock of the effectiveness and impact of Implementing Partner related approaches, initiatives and systems on strengthening national capacities and promoting national ownership in the delivery of programmes and activities for sustainable development.

Recommendation 6

The executive heads of United Nations system organizations should act to strengthen Implementing Partner agreements and other legal instruments in line with good practices so as to ensure the inclusion of all provisions needed to safeguard the interests and rights of their organizations.

Recommendation 7

The executive heads of United Nations system organizations should establish risk-based monitoring frameworks to guide their respective organizations in systematically monitoring programmes and projects delivered by Implementing Partners. The frameworks shall be adapted by country offices to best fit the types of interventions in the country specific environments.

Recommendation 8

The executive heads of United Nations system organizations should institute training in fraud awareness and prevention, with emphasis on fraud related to third parties, for staff engaged with Implementing Partners (and especially staff in country offices).

Recommendation 9

The executive heads of United Nations system organizations should revise existing oversight function charters to ensure that they have the right to investigate third parties involved in implementing United Nations funded activities. The revised charters should be submitted to legislative bodies for approval.

Recommendation 10

The executive heads of United Nations system organizations should review the capabilities of their existing automation systems, such as ERPs and other database tracking systems, with the aim of supporting the management of Implementing Partners and consolidating related data in these systems. This action should be based on a cost/benefit analysis, taking into account the level of need for such data.

Recommendation 11

The executive heads of United Nations system organizations should instruct country offices to act at the country level to establish, in cooperation with other United Nations organizations, procedures for sharing Implementing Partner information. Channels for such cooperation should include operations management groups of the UNCT and clusters and working groups established under UNDAF, UNPAF and UNDAP.

Recommendation 12

The United Nations Secretary-General, in his capacity as Chairman of the CEB, should act to ensure that implementing Partner policy and management issues become a regular agenda item of the three CEB pillars. Consideration of these issues can occur in a special Implementing Partner-focused working group or as a standing item in existing functional networks. Issues considered should include, inter alia, strategic frameworks, assessments, selection, agreements, accounting and financial management, monitoring and performance evaluation.

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Abbreviations

ACABQ	Advisory Committee on Administrative and Budget Questions
ACFE	Association of Certified Fraud Examiners
AfDB	African Development Bank
AWP	Annual Work Plan
BoA	United Nations Board of Auditors
CARDS	Comprehensive Audit Recommendations Database
CDR	Combined Delivery Report
CEB	United Nations System Chief Executives Board for Coordination
CHF	Common Humanitarian Fund
CPAP	Country Programme Action Plan
CSO	Civil Society Organization
DaO	Delivering as One
DESA	Department of Economic and Social Affairs
DIM	Direct Implementation
DM	Department of Management
EOSG/SPU	Executive Office of the Secretary-General/Strategic Planning Unit
ERF	Emergency Response Fund
ERP	Enterprise Resource Planning
EU-ECHO	European Commission Humanitarian Office
FACE	Funding Authorization and Certificate of Expenditure
FAO	Food and Agriculture Organization of the United Nations
GEF	Global Environment Facility Trust Fund
HACT	Harmonized Approach to Cash Transfers
HC	Humanitarian Coordinator
HLCM	High-Level Committee on Management
IASC	Inter-Agency Standing Committee
ICAO	International Civil Aviation Organization
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development

ILO	International Labour Organization
IMO	International Maritime Organization
IP	Implementing Partner
iPIMS	Implementing Partner Information Management System
IPSAS	International Public Sector Accounting Standards
JIU	Joint Inspection Unit of the United Nations system
LOA	Letters of Agreement
LOU	Letters of Understanding
LTA	Long-term agreement
M/E	Monitoring and evaluation
MDTFs	Multi-Donor Trust Funds
MOU	Memorandum of Understanding
MSRP	Management Systems Renewal Project
NEX	National Execution
NEXAMS	National Execution Audit Management System
NGOs	Non-Governmental Organizations
NIM	National Implementation
OCHA	Office for the Coordination of Humanitarian Affairs
OIOS	Office of Internal Oversight Services
OPPBA	Office of Programme Planning, Budget and Accounts
PAHO	Pan American Health Organization
PBSO	Peacebuilding Support Office
QCPR	Quadrennial Comprehensive Policy Review
RBM	Results-based management
RC	Resident Coordinator
RMU	Risk Management Unit
SAI	Supreme Audit Institution
SOPs	Standard Operating Procedures
TCPR	Triennial Comprehensive Policy Review
TOR	Terms of reference

UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDAP	United Nations Development Assistance Plan
UNDEF	United Nations Democracy Fund
UNDG	United Nations Development Group
UNDOCO	United Nations Development Operations Coordination Office
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UN-Habitat	United Nations Human Settlements Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
UNHQ	United Nations Headquarters
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNODC	United Nations Office on Drugs and Crime
UNOPS	United Nations Office for Project Services
UNPAF	United Nations Partnership Framework
UN-Women	United Nations Entity for Gender Equality and the Empowerment of Women
WFP	World Food Programme
WHO	World Health Organization
WMO	World Meteorological Organization

I. Introduction

1. As part of its programme of work for 2013, the Joint Inspection Unit (JIU) conducted a system-wide review of the management of implementing partners (IPs) in United Nations system organizations. In recent years the General Assembly and the Advisory Committee on Administrative and Budget Questions (ACABQ) have expressed concern about the lack of adequate managerial control over programmes and projects carried out by third parties on behalf of the United Nations. Concerns have also been raised by United Nations oversight bodies (internal and external audit offices) about accountability issues regarding the transfer of funds by the United Nations to IPs, and the lack of robust mechanisms to provide assurance that partners are spending funds as intended, and projects are executed efficiently and effectively. Last but not least, owing to the current world-wide economic climate, Member States are demanding more accountability and due diligence on United Nations funding spent by partners who may not be subject to the stringent procedures applied to direct United Nations expenditures.

2. United Nations system organizations have been entering into partnerships with a variety of actors, ranging from national governments to civil society at the grass roots level, to deliver programmes in line with their mandates. In many such partnerships United Nations organizations assign the implementation of programmes/projects to the partners and provide financial resources required for the work. In other instances the United Nations organizations engage partners that do not receive United Nations funding but work in tandem with the United Nations to achieve common goals and objectives, and in many instances are the main contributors of funds towards implementation of programmes and activities.

3. This report focuses only on partnerships involving transfer of resources from the United Nations system to its partners. The most commonly understood term for such partners is that of "implementing partners". Therefore:

> ***Implementing partners (IPs), in the context of this review, are "National government entities (including agencies or institutions); non-governmental organizations/civil society organizations (NGOs/CSOs); United Nations system agencies/organizations acting as IPs; non-United Nations multilateral and inter-governmental entities; and other entities (academia, etc.) with which United Nations system organizations enter into agreements and allocate United Nations resources to execute or implement programmes, projects and activities for the organization's beneficiaries."***

4. This report builds on previous JIU reports that addressed issues regarding the execution/implementation of United Nations programmes through IPs, including a 1994 report titled "National execution of projects" (JIU/REP/94/9), the 1997 report "Execution of humanitarian assistance programmes through implementing partners" (JIU/REP/97/3), and the 2008 report "National execution of technical cooperation projects" (JIU/REP/2008/4) which focused on modalities related specifically to implementation of technical cooperation projects through national governments.

Objectives and scope

5. This report aims to provide a review of methods and practices used by United Nations organizations across the system to select and manage IPs for

programme/project delivery, with a view to identifying strengths and weaknesses in current practice and exploring areas for further improvement for an effective and efficient management of IPs.

6. The report focuses on issues regarding the United Nations organizations' governance structures and selection processes for engaging IPs, the modalities of organizations to monitor and evaluate IP programme delivery, and the audit and investigation arrangements related to IPs. United Nations organizations engage in development and humanitarian assistance in diverse political, economic and social settings, and operate in disperse worldwide locations. Their management systems and working modalities have been designed to accommodate their own particular mandates, business models and operations. Similarly, IPs vary widely and operate under different organizational structures and settings. They include host government entities that are different from one country to another, national and international NGOs, civil society groups, and academic and research institutions.

7. Consequently, there is no one-size-fits-all approach in the way United Nations system organizations engage and manage the different types of IPs. This report attempts to provide information on common elements of the various approaches taken by organizations, identify challenges, and make recommendations as appropriate. Such recommendations may not apply equally to all organizations that participated in this review.

Methodology

8. The review was undertaken from February 2013 to October 2013 on a system wide basis and focused on IP modalities used by the United Nations, its funds and programmes, and specialized agencies, to execute/implement projects at a national, regional or global level.

9. A methodology of desk reviews, detailed questionnaires, system-wide interviews, and in-depth analysis has been followed for this report. The methodology combined qualitative and quantitative approaches. The project began with a review of relevant documents and reports and an analysis of the issues identified therein relating to IPs. The data-collection phase included information received in meetings conducted at headquarters offices[1] of participating organizations and in field visits to selected country offices (Kenya, Thailand and the United Republic of Tanzania). Other parties visited were the World Bank, the International Fund for Agricultural Development (IFAD), the European Commission (EC), and the Global Fund. In total 366 persons participated in the interviews. In addition detailed questionnaires were sent to 24 participating organizations and responses were received from 19 organizations.[2] Of particular help were the issues and challenges reported by these organizations in response to the questionnaires and during interviews (see annex XI). Teleconferences were conducted when on-site

[1] WMO, UNHCR, ILO, WHO, FAO, WFP, United Nations Secretariat (DESA, PBSO, UNDEF, OPPBA, OCHA, DM, OIOS, EOSG/SPU), UNDP, UNICEF, UNFPA, UN-Women, UNEP, UN-Habitat, UNODC, UNIDO, UNESCO; meetings also took place with officials of PAHO, IFAD, World Bank, IDB, Global Fund, EuropeAid and EU-ECHO. Meetings also took place with the CEB secretariat, UNDOCO, and BoA.

[2] FAO, ICAO, ILO, IMO, UNDP, UNEP, UNESCO, UNFPA, UN-Habitat, UNHCR, UNHQ, UNICEF, UNIDO, UNODC, UNOPS, UN-Women, WFP, WHO, WMO.

visits were not possible. A number of IPs were also contacted (national government ministries and international NGOs), however exposure to a wider perspective of IP views on the subject matter was not possible in this review. There is scope in this area for future consideration.

10. Limited resources for the conduct of the review did not allow for more extensive testing on adequacy of controls and compliance issues on a system-wide basis. The review took into account findings of IP-related audits and evaluations of United Nations organizations conducted by the Office of Internal Oversight Services (OIOS), the United Nations Board of Auditors (BoA) and other internal and external oversight bodies of United Nations system organizations. By and large, the Inspectors found the information on these IP related reports invaluable and appreciate the cooperation and information provided by United Nations system auditors and evaluators towards this report. Given the wide scope and challenging nature of this topic, and the diversified nature and plethora of IP modalities, no synthesis can capture fully the in-depth findings of these audit and evaluation reports. In the course of the review the Inspectors noted that the detailed recommendations of these reports have already contributed to noticeable improvements in the management of IPs throughout the United Nations system.

11. Implementation modalities in the context of multi-donor and other pooled funds, such as the Global Environment Facility Trust Fund (GEF), Multi-Donor Trust Funds (MDTFs), the Common Humanitarian Fund (CHF) and the Emergency Response Fund (ERF), have not been looked at in depth, given the limits of this review.

12. An internal peer review procedure was used to solicit comments from all JIU Inspectors (Collective Wisdom) before the report was finalized. The draft report was also circulated to United Nations organizations and other stakeholders for correction of factual errors and to make comments on the findings, conclusions and recommendations. To facilitate the handling of the report, the implementation of its recommendations and monitoring thereof, Attachment I contains a table indicating whether the report is submitted for action or for information to the governing bodies and executive heads of the organizations reviewed.

13. The Inspectors wish to express their appreciation to all who assisted them in the preparation of this report and in particular to those who participated in the interviews and questionnaires and so willingly shared their knowledge and expertise.

Background — The emergence of partnerships

14. Partnerships with public and non-public entities have been featured on the agenda of the United Nations development assistance arena for a number of years. They have become essential for most of the United Nations system organizations for achieving internationally agreed development goals. In 2000, the United Nations Millennium Summit adopted Goal 8 advocating the development of a global partnership for development. The contribution of partnerships to aid effectiveness was highlighted in the 2002 Monterey Consensus on Financing for Development, the 2003 Rome Declaration on Harmonisation, the 2005 World Summit Outcome and the 2005 Paris Declaration on Aid Effectiveness. In 2011 the Fourth High-Level Forum on Aid Effectiveness in Busan, Republic of Korea, resulted in the Global

Partnership for Effective Development Cooperation. Busan was a continuation of the Accra Agenda for Action (2008).

15. More recently the General Assembly adopted the Quadrennial Comprehensive Policy Review (QCPR) of United Nations operational activities for development (resolution 67/226 of 12 December 2012), whose legislative mandates, among others, focus on partnerships, i.e. enhancing system-wide capacity to engage in results-oriented innovative national, regional, and global partnerships with diverse stakeholders, and strengthening operational partnerships with other multilateral organizations and stakeholders.

16. Partnerships have been an essential element of the United Nations Development Assistance Framework (UNDAF) and Delivering as One (DaO) initiatives. UNDAF was designed to set out the collective United Nations response to a country's needs in development and humanitarian interventions. DaO pilot countries were established following the High-level Panel on United Nations System-wide Coherence report to the Secretary-General in 2006, to increase the impact of the United Nations through improvements in efficiency, coherence and effectiveness.

17. The range of areas involving partners goes beyond development and humanitarian affairs and includes, inter alia, peacekeeping, disarmament, human rights and good governance. United Nations organizations enter into partnerships for a variety of reasons including: delivering their mandates more effectively, providing better and improved access to beneficiaries; engaging in national capacity-building, strengthening their own capacities through additional expertise partnerships can provide; improving efficiency through economies of scale; leveraging influence through partners that share the same values and goals; addressing operational constraints related to safety and security; and leveraging additional resources.

18. Partnerships are manifold, from informal arrangements to formal agreements, addressing the execution or implementation by partners of an array of activities including programmes and projects at a country, regional or global level. **While this review focuses on IPs to which United Nations resources have been allocated to implement such activities, it should be noted that in many cases partners are the full-funding contributors of United Nations activities, and in such cases relationships and working modalities differ from those involving IPs. As stated, non-IP modalities are not within the scope of this review**.

II. A plethora of definitions

19. General Assembly resolution 60/215 defines partnerships as "voluntary and collaborative relationships between various parties, both public and non-public, in which all participants agree to work together to achieve a common purpose or undertake a specific task and, as mutually agreed, to share risks and responsibilities, resources and benefits". **However, this review revealed that most United Nations system organizations do not have a clear definition for partnerships in general or IPs in particular. Depending on their business model, type of intervention, and partnership arrangements, organizations use different terms and definitions**.

20. Annex I presents the terminology and definitions used for IPs by United Nations organizations that participated in this review. The term "implementing partner" or IP — as defined in the Introduction Chapter — is most commonly used

by such organizations as UNHCR, UNDP, UNFPA and UN-Habitat. However, for a number of partners the term "implementing partner" is not desirable as it implies a degree of ranking of the partner and may not reflect the notion of real partnership on an equal footing, as was envisioned in the above-mentioned General Assembly resolution. Government entities for example, or other intergovernmental organizations that are recipients of United Nations funding, do not see themselves simply as implementing entities but rather as mutual partners. Accordingly, some United Nations organizations have opted for a different terminology for IPs, such as "cooperating partner" by WFP, "implementing agent" by ILO or "partner organization" by UNIDO. Still in these cases the underlying principle remains the same: the relationship involves the transfer of United Nations resources to the partner.

21. As mentioned above, in addition to engaging IPs that involve the transfer of resources, United Nations organizations enter into other types of partnerships that do not involve the transfer of funds, and as such, they arrange collaborative agreements with donor countries, conduct joint programming exercises, promote dialogue and advocacy, etc. The terminology used for such partnerships varies and includes "collaborative partners" by UNICEF, "complementary partners and/or coordinating partners" by WFP, or "investment partner" by UNEP. It should also be noted that other types of arrangements, such as executing common services agreements with third parties, signing arrangements with commercial service providers or hiring consultants, which are more of a contractual nature, may also be perceived as partnerships.

22. The regulatory framework for implementing activities and delivering products under the above categories of 'partnerships' differs widely. As such, there is a need for clear definitions for IPs distinct from other arrangements, in order to differentiate implementation modalities from one another and, more importantly, have clarity on what sets of rules and regulations apply to the respective implementation arrangements in a given situation. The Inspectors observed that in some cases IP agreements were used instead of procurement contracts, as United Nations staff found it easier and faster to sign agreements under the IP rules instead of the more rigorous procurement regulations. Similar findings were highlighted in internal audit reports at various country offices. This practice, albeit not frequent, exposes the organizations to certain risks due to the absence of detailed internal controls that may need to be in place in particular circumstances.

23. The implementation of the following recommendation is expected to assist in ascertaining accountability and transparency, and prevent deviation from procurement or other applicable regulations.

Recommendation 1

The executive heads of United Nations system organizations should act to ensure that their respective partnership arrangements involving the transfer of United Nations resources to third parties (notably Implementing Partners) are clearly defined as being distinct from other types of partnerships not receiving United Nations funding, as well as from commercial contracts, in order to make sure that appropriate rules and regulations apply in the different cases.

III. Fragmented information on Implementing Partners

24. While the benefits of engaging in partnerships have been well recognized amongst the United Nations community, and partners have become indispensable players in achieving objectives, United Nations system organizations increasingly realize that partnerships do not only come with benefits but also with risks and associated costs. This in particular applies to IPs which are acknowledged as high risk by management and oversight bodies alike. On the one hand IPs are a critical, and indeed indispensable, part of the programme delivery model of most United Nations organizations. On the other, they are entities outside the established United Nations governance structures, to which resources are transferred for the delivery of activities, outputs and results, often in adverse field environments. As such accountability considerations when engaging with IPs become paramount.

25. The volume of resources allocated to IPs demonstrates the extent of risk exposure to United Nations organizations. It is significantly high especially for United Nations funds and programmes. For instance, UNDP allocated about 59 per cent of its expenditures in the 2010-2011 biennium to implementing partners, UNHCR about 35 per cent, UNFPA about 29 per cent, and UNICEF about 28 per cent.[3] Annex II presents a summary of expenditures attributable to IPs in United Nations system organizations for 2008-2009 and 2010-2011.

26. The number of IPs with which United Nations organizations are engaged also provides an indication of the magnitude of the challenges confronting organizations in identifying, selecting, managing and monitoring the work of IPs. As of December 2012 the number ranges from a low of 56 IPs at UNESCO to a high of 17,152 IPs at UNICEF. United Nations funds and programmes have the highest number of IPs, with organizations, such as UNFPA (2,050) and UNHCR (1,119), among the highest.[4]

27. Many organizations were unable to provide to the Inspectors key information on partners and IPs, such as the resources allocated to them, the types and names of partners, the number of IPs, for which projects and programmes IPs are currently engaged and have been engaged in the past, in what regions, their current and past performance etc. It was explained during interviews at headquarters and field offices, that this information is available at different departments and offices *e.g.* programme offices, finance, field offices, procurement sections, internal audit and evaluation offices etc. As such, it was noted that it would require additional manual interventions to extract and make the data available in a consolidated and aggregated way for the organization as a whole. This, despite the fact that most organizations have Enterprise Resource Planning (ERP) systems in place that may have the capability to provide such information if designed appropriately (see also chapter XII, section B).

28. This situation deprives senior management of having readily available financial and management information on a considerable amount of organizational resources expended through third parties. It is the Inspectors' view that such key data should be part of management's arsenal for informed decision making. This information would also provide the legislative bodies with greater access to

[3] Based on table 5, para. 57, of the "Concise summary of the principal findings and conclusions contained in the reports of the Board of Auditors for the biennium 2010-2011"(A/67/173). See also annex II of this JIU report.

[4] Information from responses to JIU questionnaire.

information regarding IPs, and enhance transparency on the approaches taken by organizations to deliver programmes and projects through third parties. Reporting on IP-related key data could be part of the regular programme performance reporting, as appropriate. Some organizations have suggested that reporting formats, such as the International Aid Transparency Initiative (IATI) or the Integrated Financial Accountability Framework (IFAF), may be used for facilitating data comparability and United Nations system coherence.

29. The implementation of the following recommendation is expected to enhance accountability and transparency.

Recommendation 2

The executive heads of United Nations system organizations should ensure that key information on Implementing Partners such as expenditures by purpose (programme, project, activity etc.), modality (e.g. national government entity, NGO/CSO etc.), and evaluation of their performance are readily available in their organizations. Such key information should be reported regularly to legislative bodies, within the existing reporting mechanisms.

IV. Need for a strategic perspective

30. The increase in awareness of the importance and value of partnerships and the attention paid to IPs by the audit community and Member States alike has resulted in a number of United Nations organizations establishing new operational policies, procedures and guidelines addressing the management of partnerships in general and IPs in particular (see annex III). Organizations such as UNICEF, FAO and IFAD, have gone further by adopting corporate partnership strategies, and have made engagement with partnerships an integral part of their corporate goals in their organization's medium and long-term strategic plans. WFP is currently developing its first corporate partnership strategy which will be presented to its Executive Board in 2014. FAO and IFAD have instituted the good practice of establishing partnership offices or directorates to assist in implementing the strategy and provide support. Furthermore, some organizations (*i.e.* FAO, UNEP, and UN-Habitat) have established partnership advisory committees at headquarters that provide guidance, and/or review selection of major partners.

31. Notwithstanding the above, the Inspectors observed that a number of organizations across the United Nations system have a fragmented, often *ad hoc* and incoherent approach to engaging with partnerships in general and in managing IPs in particular. This is more so in organizations with a decentralized structure and delegation of authority to country offices where, in most cases, selection and management is taking place. Furthermore, it was noted that in organizations which are taking steps to address partnerships in a more systematic and strategic manner, the associated strategies and policies had been introduced in the past three to four years and most organizations reported their status as "work in progress" and "too early" for assessing their implementation and success.

32. The importance of having a strategic approach to partnering was acknowledged by managers and staff at HQs and field offices alike. On the one hand, because such an approach would help share a common vision and minimize the risk that individual field offices may pursue partnerships not in line with corporate goals and priorities, and on the other, because advantages and opportunities in dealing with partnerships may not be fully realized in a fragmented and piece-meal approach. Adopting a partnership strategic framework, which uses corporate strategic objectives as the basis for deciding partnership requirements (inclusive of IP requirements), is a most prudent way to maximize effective participation of partners in programme delivery and explore the full potential in working with them.

33. The Inspectors' review of existing partnership governance frameworks of various United Nations and other organizations indicate that **a good partnership strategic framework would spell out key elements for entering into partnerships and include in particular: why to enter into partnerships (*i.e.* strategic direction, benefits/risks, national capacity building); what the partnership should achieve (*i.e.* goals/objectives); with whom to partner (modalities, comparative advantages), and how to engage with, manage, and disengage from partnerships (*i.e.* agreements, management processes, monitoring, evaluation, lessons learned).**

34. The implementation of the following recommendation is expected to enhance effective delivery of programmes through a strategic approach to partnerships.

Recommendation 3

The legislative bodies of the United Nations system should direct the executive heads of their respective organizations to prepare and submit to them an organization-specific comprehensive strategic framework for partnerships, inclusive of Implementing Partners, aligned to their overall corporate strategic objectives. Such framework should include an analysis of resources required to operationalize it.

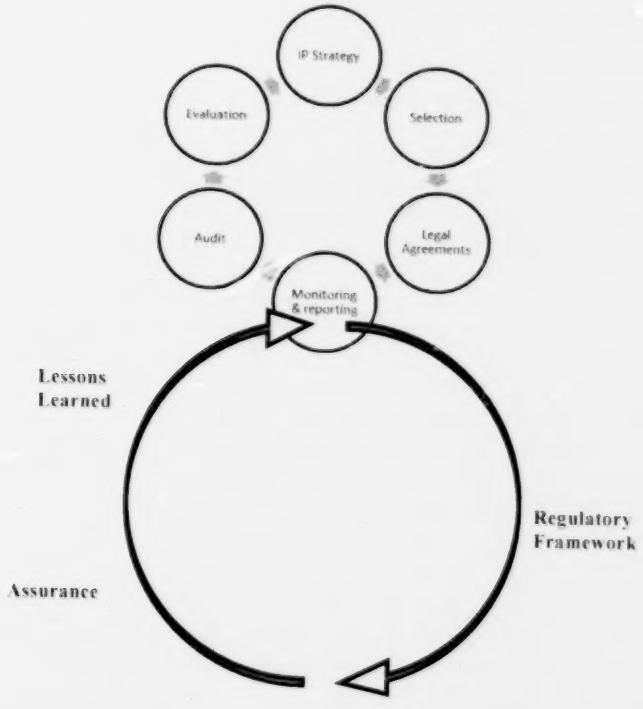
35. The partnership strategic framework should also contain a set of guiding principles to help the organization navigate through the engagement with partners. Annex IV presents a synopsis of guiding principles for partnerships, used by various United Nations agencies and other organizations. Although these principles refer to the broader definition of partnership, for the most part they are equally applicable to IPs. The Inspectors suggest that at a minimum the following mutually inclusive principles, extrapolated from the ones provided by participating organizations, should be at the core of an IP strategic framework especially for organizations managing a large number of IPs:

- ***Engage partners from national governments and national entities to promote national ownership and build national capacity***
- ***Engage partners from NGOs/CSOs and other United Nations agencies and intergovernmental organizations to expand coverage and enhance practices for greater development results and impact***

- ***Ensure that programme/project implementation by partners is based on effective management systems, adequate monitoring, reporting, auditing, and systematic evaluation, guided by clear policies and procedures***
- ***Promote learning and sharing of knowledge with all stake holders through dissemination of best practices and lessons learned***

36. The strategic framework and guiding principles should be operationalized with practical processes necessary to implement the framework. The diagram below depicts the related processes in managing IPs. The following chapters address observations, findings and recommendations as related to the processes followed by United Nations system organizations in managing their IP specific frameworks: chapter V covers the IP selection process, chapter VI addresses NEX/NIM issues, chapter VII reviews legal instruments/agreements, chapter VIII addresses IP monitoring and evaluation, chapter IX covers IP audit arrangements, chapter X reviews HACT challenges, chapter XI addresses fraud prevention and detection issues, chapter XII visits operational management issues, chapter XIII looks at fast-track procedures, and chapter XIV addresses matters of IP inter-agency cooperation and information-sharing.

IP management processes



V. Selection of Implementing Partners

A. An overview of modalities and selection processes

37. Selection decisions for IPs are taken at different levels and stages of the programme or project implementation process. At the outset, the organization decides on the implementation modality which ideally should be guided by a corporate partnership strategy and/or applicable policies and procedures. As mentioned earlier, most organizations decide on the following modalities of IPs: national government entities; national/international NGOs/CSOs; other United Nations system specialized agencies; and other intergovernmental organizations. Entities, such as academia, foundations and research institutions may also be selected to fulfil specialized needs.

38. National government entities are the main partners for most United Nations funds and programmes and a number of specialized agencies. The Rome and Paris Declarations, the Accra Agenda for Action and subsequent General Assembly resolutions recognized the importance of national governments as more than just aid recipients, but as sovereign parties deciding the course of action of the intervention involved in their countries. These declarations sought to establish a new modus operandi where organizations not only work with but work through governments, thus recognizing their sovereignty and the extent to which they represent the best interests of their people. Selection of these government partners is taking into account assessments of the government's financial and management systems as a due diligence step to ensure capacity for programme delivery, as well as capacity-building needs. Chapter VI addresses additional issues related to government partners.

39. **Non-government entities (NGOs/CSOs)** are equally important IPs for most United Nations organizations. They can be national or international and act as service providers on specific projects, complement the programme delivery of the United Nations organizations, or become strategic partners who will take over the programme after the United Nations intervention has been completed. When the chosen IP modality is an NGO/CSO, a selection decision from a pool of potential IPs is taken based on a predetermined list of criteria. This list varies depending on the type of intervention and the business model of the organization. For instance, in UNHCR to be considered as an IP, an entity should: be legally registered; be financially reliable; have successfully implemented a similar programme in the past; demonstrate its capacity to respond to an emergency at short notice; and have local experience, share common humanitarian goals, and not be on the United Nations Security Council sanctions lists. UNESCO criteria include a requirement for at least two years of previous experience, and WHO requires a scientific and technical good standing at the national and international levels. In UNIDO partner organizations are required to provide evidence of their technical competency in sustainable industrial development areas.

40. When **other United Nations agencies or intergovernmental organizations** are chosen as IPs, the selection is based on their specialized expertise, competitive advantage and level of complementarity for the particular intervention.

41. In many cases a combination of the above modalities is also considered. Also, a government partner may in turn engage an NGO for **implementing** parts of a

programme with which it was entrusted by a United Nations organization. Similarly, United Nations agencies acting as IPs may sub-engage international NGOs who in turn sub-contract activities to local NGOs or CSOs.

42. In most organizations reviewed, the selection decisions are taken by staff at the country level in line with the respective delegation of authority. In some cases approval is required by the organization's headquarters, in others the selections are subject to review by IP committees (similar to contract, grant or project committees) at the country and/or headquarters level depending on the size and monetary value of the IP project.

43. In many country offices the selection of IPs begins during the formulation of the Common Country Assessment/United Nations Development Assistance Framework (CCA/UNDAF) — UNDAPs in DaO countries — or UNPAF in middle income countries — and the preparation of the Country Programme Action Plans (CPAPs) and Annual Work Plans (AWPs). However, in short-term humanitarian interventions and other emergencies, as well as for organizations with mainly normative mandates, the process is based on the circumstances of the specific intervention. Also, some specialized agencies address programming requirements and define priority areas of work outside the UNDAF and thus identification of IPs takes place in a complimentary if not separate context. Furthermore, a number of programmes or projects are undertaken by United Nations agencies not only at a country but also at a regional, interregional or global level, and as such the selection varies and sometimes is restricted by the lack of IPs able to operate at such levels.

44. **Annex V summarizes the set of criteria used by United Nations organizations for selection of the various IP modalities as well as the selection criteria used after the modality has been determined. The Inspectors observed that policies and guidelines in a number of organizations have been updated and revised in recent years to enhance the selection process of IPs. These revisions include more rigorous selection criteria for category and type of IP, consideration of alternative competitive processes, introduction of pre-assessment processes, and requirements for adequate documentation of the selection.** However challenges remain and the Inspectors wish to selectively highlight a number of them in the following section.

B. Challenges remain

45. On-site interviews and a desk review of internal audit reports on IP selection processes, indicate a number of factors and constraints that may be influencing the selection of IPs. When projects are financed by extra-budgetary or voluntary contributions, there have been cases where donors have tied their contributions to the selection and engagement of specific IPs or to a limited group of IPs, *e.g.* NGOs/CSOs from specific countries.

46. In some cases selection of NGO/CSOs was affected by preferences and/or decisions made by the host governments. For example in Kenya, an evaluation conducted by WFP highlighted cases where, either by convention or by active government choice, NGOs involved in humanitarian services had secured exclusive

rights in certain regions or territories. In such circumstances, the ability to improve the quality of services by seeking better partners is limited.[5]

47. Competition among agencies for the same IPs is also a recurrent issue, especially in environments, such as emergencies, humanitarian relief operations or post-conflict situations, where the number and choice of IPs are usually limited or non-existent. Further, such environments are conducive to risks of favouritism and corruption in relation to the selection. Limited availability of IPs is also a challenge for organizations with highly technical or normative mandates, as there is usually only a small number of suitable IPs with the required technical expertise.

48. Regarding government partners there is no common approach in working with governments as they are different from one country to another. As such there are difficulties in standardizing procedures or transferring good practices from one country office to another.

49. In some cases international NGOs may have a good performance record in one country but not so in another, *e.g.* because of differences in staffing skills or relationships with the host government.

50. Despite the noticeable progress in upgrading IP related policies and procedures and improving selection processes, a recurring observation, mostly in smaller organizations, is the lack of adequate training and guidance in country offices on how IP selections are to be conducted, including detailed standard operating procedures (SOPs) and checklists for selection (see also chapter XII).

51. As mentioned in chapter III, the lack of easily accessible data on IPs that have performed work in the past either for the organization conducting the selection or other United Nations organizations in the country or region, is an obstacle that impedes the use of existing information in the IP selection process. The situation is more acute in cases of emergencies and humanitarian interventions. The need for centralized databases on IPs at headquarters level as well as the county offices has been highlighted in the past in numerous reports of OIOS and other internal audit offices, as well as in the JIU report JIU/REP/97/3.

C. The criticality of IP assessments

52. As part of the selection process a number of organizations conduct assessments of IPs either through implementation of HACT (macro and micro assessments) (see chapter X), or through their own assessment methodologies. However, the Inspectors observed significant variations in how assessments and due diligence of IPs are conducted and documented. In the worst case, assessments of IPs are not conducted at all. In other cases, they are not adequately done lacking appropriate in-depth analysis and verification of qualifying information provided by the IPs. The underlying reasons for that, as explained in interviews, are often lack of capacity, both in terms of resources and expertise, as well as lack of adequate guidelines and procedures.

53. **Up-front and in-depth IP assessment during the selection process is one of the most important and critical elements required to ensure the effective and efficient implementation of programmes and activities. Such assessments serve**

[5] WFP evaluation 2012, "From food aid to food assistance — working in partnerships".

two purposes: first, vetting of the partners in terms of compliance with the selection criteria (such as reliability, capacity and technical expertise; adherence to the United Nations organization's standards and rules; adequacy of their internal control frameworks, financial management capacities, etc.); and secondly, allowing an in-depth risk assessment to identify gaps and risks and how they could be addressed through capacity-building and risk mitigation measures.

54. Thus, in the case of government partners, as well as national NGOs, an in-depth and comprehensive pre-assessment would support efforts towards national capacity-building and knowledge transfer. It would identify possible capacity gaps and training needs and serve as a tool for deciding on how to address them. It would also help to determine what part of the programme may be implemented through other modalities or through commercial service providers. It is worth noting that in the spirit of good partnering some organizations, such as UNHCR, UNFPA and WFP, are increasingly conducting assessments and due diligence exercises in close consultation with the IPs concerned.

55. Frequently United Nations agencies are working with and provide resources to a number of IPs that simultaneously provide services to other United Nations agencies and/or to other entities such as the World Bank and the European Commission. There are reported cases by investigators of double contracting/billing by some IPs to multiple donors for activities related to the same programmes (see chapter XI). This is an inherent risk the occurrence of which, albeit not common, needs to be addressed and mitigated. This could be done best early in the selection phase through an in-depth and thorough due diligence and pre-assessment process. Considering the frequent changes of IP staff these assessments could be valid for a limited period or be renewed for a respective IP depending on the circumstances.

56. The implementation of the following recommendation is expected to enhance the effectiveness of IP selection and compliance with existing IP policies and guidelines.

Recommendation 4

The executive heads of United Nations system organizations should establish rigorous Implementing Partner assessment and selection processes designed to determine the capacity and potential weaknesses and risks of an Implementing Partner, and ensure its capability to fulfil programme delivery requirements.

VI. National Execution (NEX) and National Implementation (NIM)

A. NEX/NIM modalities

57. As mentioned before, government entities are major partners for a number of United Nations system organizations in executing and implementing programmes and activities. In response to the Paris and Rome Declarations and subsequent General Assembly resolutions (*i.e.* 47/199, 62/208 and 67/226), Executive

Committee organizations (UNDP, UNICEF, UNFPA, WFP) are operating mainly under the standard modality of National Execution (NEX) and National Implementation (NIM) in an effort to support national ownership and capacity-building.[6]

58. These organizations have introduced detailed guidelines and procedures to operationalize the NEX/NIM modality *i.e.* UNDP has a number of policies and procedures that provide the legal framework for the implementation of NEX and NIM projects; UNICEF utilizes, *inter alia*, the "National Execution and Implementation Arrangements" guidelines; and UNFPA uses regulations, rules and procedures similar to those of UNDP. Other organizations and specialized agencies, while not following the NEX/NIM modalities, have their own guidelines for implementing projects with national government entities. The Inspectors observed that organizations such as FAO and WHO have recently taken steps to align themselves to the NEX/NIM modality taking into consideration their particular business models.

59. The 2008 JIU report on the "National execution of technical cooperation projects" (JIU/REP/2008/4) addressed NEX/NIM-related issues, and identified challenges and lessons learned in the implementation of such modalities. As indicated in the report these modalities aim to achieve: (a) greater national self-reliance by effective use and enhancement of the management capabilities and technical expertise of national institutions and individuals; (b) enhanced sustainability of development programmes and projects by increasing national and local ownership and commitment to development activities; and (c) reduction of workload and integration with national programmes through greater use of appropriate national systems and procedures. Among its conclusions the report stated that government-led execution requires United Nations organizations and government partners to assume greater risks in pursuing sustained development. Such risks should be mitigated by promoting sound national policies that advance accountability and build capacity.

60. Further, the report observed that a number of other United Nations system organizations reserve a limited scope for NEX as a modality for the implementation of their programmes and projects, and some reserve the right to use NEX in a limited way or not at all. One of the reasons provided for these limitations was that organizations do not transfer funds directly to recipient governments. Others stated that even though they sign an agreement with the government, which is the owner of the programme, they remain accountable, within their own systems, for the whole management and reporting of funds channelled through NEX.

B. National ownership and capacity-building

61. In the conduct of the present review the Inspectors explored some of the issues mentioned in the aforementioned report regarding implementation of United Nations activities through national governments. Certain observations emerged from interviews on the ground, as well as desk reviews and recent literature on the subject.

[6] Definitions of NEX and NIM are discussed in JIU/REP/2008/4.

62. The first observation is the perception, by United Nations system staff interviewed and host governments alike, that the commitments made in the last decade by the international community to transfer to national entities more responsibility for executing or delivering programmes, have not been in all cases as robust as expected. The majority of interviewees indicated that while the various declarations and United Nations resolutions expressed an overall commitment to the use of national systems and building national capacity, there has not been enough clarity on what in reality this meant: *e.g.* "operational oversight on national execution and implementation?", "delivering programmes/projects, goods and services by the United Nations on behalf of national governments?", "a combination of some aspects of both?". Managers and staff interviewed had difficulties answering or elaborating on these questions based on their working experiences.

63. Similar observations have been reported, *inter alia*, in surveys conducted by the United Nations Secretariat in 2012 and 2013 addressed to Governments of programme countries and to Resident Coordinators, in the context of the QCPR.[7] The General Assembly in paragraph 63 of resolution 67/226, requested the development of a common approach and framework for measuring progress in capacity development in programme countries. Steps to be taken to that effect are included in the UNDG Quadrennial Comprehensive Policy Review Action Plan.

64. The above notwithstanding, the Inspectors could not find any independent cross-cutting study performed on what are the actual results achieved, on a United Nations system-wide basis, in terms of national ownership, system-wide harmonization in capacity-building in line with the Triennial Comprehensive Policy Review (TCPR) and the QCPR, or on the question of who is ultimately responsible for programme delivery and results. With the exception of a limited number of evaluations commissioned by certain organizations to address this subject within their own operations,[8] the issue of the impact of interventions by United Nations organizations on national ownership, capacity building and their ramifications, appears to have been largely unexplored by most United Nations organizations. The Inspectors believe this should be the subject for a collective reflection among United Nations system entities and the topic of a comprehensive system-wide study.

65. Another observation, from interviews at headquarters and field offices, is the practice of a number of United Nations development agencies to increasingly deliver their programmes through direct implementation (DIM) outright, and/or through direct involvement by United Nations country offices in providing such services as human resource management, procurement, etc. to national entities. Some organizations also establish programme implementation coordination units embedded in the national government ministries under NEX or NIM arrangements. As indicated to the Inspectors, on the one hand this has been a helpful approach to

[7] See "Implementation of General Assembly resolution 67/226 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system: report of the Secretary-General" (E/2013/94), which provides further information on the four related 2012 surveys addressed to Governments of all programme countries and to all resident coordinators, United Nations country team members, chairs of operations management teams at the country level, and civil society organizations in programme countries.

[8] UNDP, Evaluation of UNDP Contributions to Strengthening National Capacities, December 2010; UNFPA, Evaluation Report No.20, UNFPA's Support to National Capacity Development Achievements and Challenges, September 2003; and WFP, Evaluation of WFP's Capacity Development Policy and Operations, May 2008.

support national capacity. On the other hand, it was indicated that more caution needs to be paid in ensuring that such embedded units remain focused on coordination, knowledge transfer, capacity-building and advisory services functions, and not get directly involved in the actual programme implementation, which translates to a situation of "*de facto* DIM".

66. Reportedly, one aspect of the above is that some national governments choose to have programmes or projects executed or implemented directly by United Nations agencies. This can be either because the government lacks the capacity to execute and would like to avoid the risk of possible failure and subsequent donor-funding implications, or because the government is less interested in capacity-building but more on actual programme delivery — as the case might be in middle-income countries.

67. Another aspect is the risk-averse environment under which a number of United Nations organizations are compelled to operate. Most United Nations staff interviewed on the ground feel that to build capacity you need a dedicated effort focusing more on the "capacity" element rather than the "delivery" element of the intervention. This, by definition, demands that in certain occasions United Nations organizations take greater risks when dealing with government partners — who might not have the means to deliver a programme — and make efforts to support them along the way. The risks associated with delivering through such government partners may be much greater than reverting to direct implementation or NGOs. In an operating environment that calls for increased accountability and value for money, and a growing intolerance on the part of donor Member States regarding fraud and corruption, the primary concern of United Nations organizations is to ensure the delivery of programmes in line with their mandates and the regulations imposed on them. Capacity-building may indeed take place but it appears to be more a tangential exercise rather than the central focus of the intervention.

68. The Inspectors note that a number of agencies have several programmes dedicated to capacity building of government entities, and there have been a number of successful interventions throughout the United Nations system that are indicative of what can be achieved when targeted capacity building initiatives are in place. Nevertheless, the challenges and realities involving implementation through NEX/NIM modalities and the additional risks and costs involved are factors to be taken into consideration. Many interviewees felt that the sharing of risks among donor Member States, United Nations organizations, and recipient governments is an area that needs to be explored further among the various stakeholders in order to produce a more conducive environment for successful interventions. While NEX/NIM may appear to reflect a riskier delivery/implementation option in the short term, long-term benefits and rewards can be realized in line with the spirit of the aforementioned United Nations resolutions.

69. The implementation of the following recommendation is expected to enhance effectiveness and efficiency in engaging IPs.

Recommendation 5

The General Assembly, in the context of the QCPR and in line with the on-going effort to develop a common United Nations framework for measuring progress in national capacity development, should commission a system-wide study to take stock of the effectiveness and impact of Implementing Partner related approaches, initiatives and systems on strengthening national capacities and promoting national ownership in the delivery of programmes and activities for sustainable development.

VII. The multiplicity of legal instruments

70. Organizations use a range of legal instruments for engaging IPs, and have developed different template agreements for the various categories of IPs. For government partners and inter-governmental organizations memorandums of understanding (MOUs) are usually used, while for NGOs and CSOs, letters of agreement (LOAs), letters of understanding (LOUs) or similar agreements are concluded. When a United Nations organization engages another United Nations organization as an IP, a standard agreement template developed by UNDG/UNDOCO is mostly used. Agreements are usually supplemented with project and other supportive documents.

71. Some organizations, especially those working in the humanitarian assistance sector, have established fast-track procedures and use standby agreements with pre-selected partners for emergencies and crisis situations (see chapter XIII). Other legal instruments may include tripartite agreements (*e.g.* agreements between UNHCR, the government hosting the refugees, and the IP); and global agreements with international NGOs (*e.g.* the WFP's global MOUs on collaborative working arrangements with an international NGO). In the case of WHO, agreements may include: Agreements for the Performance of Work (APW), used in the context of contracting for goods and services; Technical Services Agreements (TSA), used in the context of clinical research and development work; and Direct Financial Cooperation (DFC) arrangements when payments are made by WHO in order to cover the cost of items that would otherwise be borne by governments.

72. Annex VI outlines the different legal instruments used by United Nations organizations in engaging IPs.

73. It should be noted that a number of organizations, such as the United Nations Secretariat (Peacebuilding Fund, UNDEF) and UNODC provide funding to third parties through grants and to this end they conclude grant agreements with recipient organizations. While the grant modality differs from the IP modality as to the source of funding — which is usually from extra-budgetary sources and the funds are specifically allocated for a respective grant programme — the selection of grantees, their pre-assessment and due diligence, monitoring, auditing, reporting as well as accountability issues, are similar to those of the IP modality. Therefore, this report's recommendations addressing those issues may also apply to the grant modality with the understanding that the specificities of the grant modality need to be taken into

consideration as appropriate. Similarly, the recommendations also apply to implementation modalities in the context of multi-donor and other pooled funds, such as GEF, MDTF, CHF and ERF.

A. Updating IP agreements in line with good practice

74. The template agreements used for the different categories of IPs vary in content from organization to organization. They set out the main framework of cooperation and the *modus operandi* of work, including the project's objectives, the parties' responsibilities and duties, implementation modalities, reporting, monitoring and audit arrangements. A list of the most commonly used provisions and minimum requirements included in IP agreements, either in the agreement as such or the attached project documents are presented in annex VII.

75. In reviewing a sample of IP agreements the Inspectors noted that not all agreements include the necessary provisions for ensuring that the organizations' interests and rights are adequately safeguarded. For instance, some organizations have not included in the agreements investigative rights for third parties and subcontractors, which would enable them to conduct investigations of IPs. Some good practice examples in this respect are initiatives by organizations such as UNDP, UNICEF, UNIDO and UNHCR that have addressed this shortcoming by adding appropriate clauses to their standard agreements.

76. There are also shortcomings in view of provisions involving anti-terrorism and anti-corruption clauses, restitution clauses, the use of the organization emblem and intellectual property provisions, procurement conducted by the IP, and governing-of-law clauses. Other limitations include absence of clauses on legal liabilities resulting from the activities of the IP, or property rights for equipment provided to the IPs. Finally, not all IP agreements make formal reference to and require acknowledgement of a code of conduct.

77. As previously mentioned the risks of IPs receiving additional funding from other donors for the same programme or charging the same overhead costs to multiple donors, could also be addressed by including a provision in the agreement requiring the partner to disclose to the United Nations organization any other additional funding received related to the specific project. Organizations such as UNIDO and UNHCR have incorporated clauses to that effect in agreements with IPs.

78. Table 1 lists some of the provisions and clauses not consistently included in IP agreements by all United Nations system organizations that, in the Inspectors' view, are important to safeguard the organizations interests and rights. Reference is also made to annex VII which contains additional provisions and clauses.

Table 1

Important provisions/clauses that are not consistently included in IP agreements.

- ***Investigative rights for third parties and subcontractors***
- ***Anti-terrorism and anti-corruption clauses***
- ***Requirement for immediate reporting of any detected fraud***
- ***Performance indicators for activities, outputs, outcomes and results of IP work***
- ***Procurement and subcontracting by the IP***
- ***Governing-of-law clauses***
- ***Intellectual property provisions and use of organizations emblem***
- ***Limitations of legal liabilities resulting from the activities of the IP***
- ***Property rights for equipment provided to IPs***
- ***Requirement and acknowledgement of a code of conduct by the IP***
- ***Provision on disclosure of funding received from other donors related to the project***

79. MOUs, LOAs and similar documents serve as an important part of the foundation upon which IPs operate and deliver desired results. In order for such documents to play an effective role, they should contain essential elements to cover all phases and aspects of the programme/project implementation work.

80. The implementation of the following recommendation is expected to enhance effectiveness and efficiency in engaging IPs.

Recommendation 6

The executive heads of United Nations system organizations should act to strengthen Implementing Partner agreements and other legal instruments in line with good practices so as to ensure the inclusion of all provisions needed to safeguard the interests and rights of their organizations.

B. Small-scale agreements

81. Several organizations such as UNHCR, UN-Habitat, UNICEF and ILO, have in place IP agreements for small-size projects involving only a limited amount of resources. Those agreements have less strict provisions and come with approval procedures in line with the respective delegations of authority in place. Interviewees indicated that such agreements limit the administrative burden to the organization, lower transaction costs and allow for quick decisions. Annex VI provides, *inter alia*,

information on organizations that have developed small-scale IP agreements. Annex VIII provides an example of a small-scale agreement template. The Inspectors recommend **that organizations, if they have not yet done so, should consider developing and adopting small-scale IP agreements in line with appropriate delegation of authority.**

C. Proliferation of IP agreements

82. The Inspectors noted the tendency in some organizations to have an unusually high number of IPs. Instead of concluding one agreement with an IP for the whole programme or project, some country offices enter into multiple agreements of smaller amounts covering parts of the programmes/projects. This is mainly due to what is perceived as obstacles related to approval thresholds and associated delegation of authority at the country level. As indicated by staff in the field, going through the approval procedures, including through headquarters approval, or through IP committees, was time-consuming and cumbersome, increased the administrative burden, and delayed project implementation. It was acknowledged, however, that deviating from this practice is not in line with the established rules of delegation of authority, weakens the selection process and the controls in place, and results in an increased number of agreements which need to be monitored and thus an increase in overall risk.

83. In this regard, a recurrent item in internal and external audit reports was the high number of outstanding obligations which add to an increased number of active IP agreements and result in additional administrative costs. In addressing auditors' concerns several organizations, such as UNICEF, UNDP, UN-Women and UNEP, have made efforts to reduce the number of outstanding obligations. The introduction of new financial monitoring tools (such as the financial dash board for country offices at UNDP) or systems such as an electronic interface with IPs allowing for liquidating advances on line, are good additional measures for reducing the number of active agreements.

84. A balance needs to be found between necessary controls and adherence to established procedures, allowing some flexibility for cases where they are needed and suitable for reducing the administrative burden.

85. The Inspectors recommend that **the executive heads of the United Nations system organizations should: (a) review the existing thresholds and delegation of authority to country offices for concluding IP agreements, bearing in mind the role of IP committees at the country level; and (b) amend threshold provisions as necessary to allow administrative flexibility while maintaining adequate controls in place to ensure compliance.**

D. UNDG standard agreement for United Nations Agency to United Nations Agency contributions

86. The United Nations Development Group (UNDG) has developed and endorsed a standard template agreement for United Nations agency to United Nations agency

contributions together with a guidance note.[9] This standard United Nations agency to United Nations agency agreement provides an overall format and structure where two agencies are partnering and one transfers resources to the other agency to carry out programmatic activities, while also providing options for the agencies to select depending on the circumstances.

87. The Inspectors were informed that United Nations organizations are not using the UNDG standard template agreement in all cases where it would be suitable. In concurring with the UNDG suggestion, **the Inspectors recommend that United Nations organizations use the UNDG standard template agreement for United Nations agency to United Nations agency contributions, wherever feasible, with a view to reducing transaction costs and facilitating United Nations system-wide coherence.**

VIII. Monitoring and evaluation

88. Effective monitoring and evaluation of IP work is essential in assuring that the resources allocated to IPs are being spent as intended and the objectives and results envisaged are being achieved.

89. In most organizations reviewed the monitoring and reporting framework for their respective IP programmes/projects is outlined in the IP agreements and related project documents. This framework outlines, *inter alia*, the IP responsibilities, activities and outputs together with the respective timelines and budgets, the type and frequency of reporting by the IP and the agreed monitoring activities. It also determines the payment/instalment schedules based on progress to date. The monitoring and reporting framework of the various organizations varies depending on the type of project, the type of intervention and the implementation environment.

90. The Inspectors observed that a number of United Nations organizations have made concerted efforts in recent years to strengthen the monitoring of IPs. These include reviewing reports received from IPs more systematically, conducting field visits and spot checks more frequently, and updating and revising their guidelines for monitoring, such as issuing SOPs, including checklists, for monitoring of IP work by staff in the field.[10]

91. The introduction of HACT in 2006 was intended to harmonize cash transfers to IPs and facilitate better monitoring of their work. The HACT framework, developed by UNDG/UNDOCO, includes performance monitoring elements of IPs, a financial reporting tool (FACE form) and IP project audit regimes. One of the strengths of the

[9] UNDG, Fiduciary Management Oversight Group, "Guidance note on transferring contributions from one UN agency to another for the purpose of programmatic activities, March 2011".

[10] It should be noted that the European Union, as a significant United Nations partner, contributing over 1 billion Euro in support of external assistance programmes and projects, has made revisions to its financial rules and regulations (in force starting in 2014), which will have implications on the way the European Union is working with (implementing) partners, including organizations of the United Nations system. Among the changes, there will i.e. be an upfront assurance requirement that the IP systems in place at United Nations agencies (and other partners) are adequate to ensure that value for money is received from their IPs including assurance that the money was used as intended and that any possible irregularities would be detected. At the time of this review, the revision process of the applicable European Union rules and procedures, including those of EuropeAid and EU-ECHO, was still on-going.

framework is that the monitoring regime is based on risks which are identified early in the implementation process. However, not all United Nations organizations have adopted the HACT framework. Challenges and issues regarding HACT and current efforts to strengthen its implementation are addressed in chapter X.

92. Despite noticeable improvements, it was acknowledged by a number of organizations that more needs to be done to ensure a robust and effective monitoring framework for IPs. Internal auditors have repeatedly expressed concern about the adequacy of guidance and the ineffectiveness of IP monitoring and reporting mechanisms on the ground. One of the issues observed by the Inspectors is that monitoring of IPs continues to rely mainly on the progress and final reports provided by the IPs themselves, but in many cases there is no verification by United Nations staff of the information provided. Verifications, if any, are not done systematically and are not based on risks assessments. Field visits to the project sites, spot checks and availability of supporting documentation, such as receipts, vouchers etc. are for some country offices the exception rather than the rule. It was noted that in certain cases organizations not only lack monitoring mechanisms but often have no direct access to the beneficiaries, and hence there is complete reliance on the reporting by the IPs without sufficient verification of the data and information submitted.

93. Reportedly, **a major constraint to effective monitoring is the lack of capacity, both in terms of resources (staff and other) and technical expertise**. Monitoring requires certain sets of skills, such as financial expertise, programme management skills and specific technical knowledge of the programmes and projects. For instance, programme staff without being well versed in reviewing financial statements, may not be able to detect inconsistencies or problems in the financial reports submitted by IPs, and, *vice versa*, finance staff may not be in a position to adequately assess programmatic achievements. Yet, in many cases, monitoring activities either in the country office or in the field are carried-out by staff available in the limited office contingent regardless of expertise. As was noted by interviewees and confirmed in many internal audit reports, better guidance for monitoring, such as SOPs, checklists etc., is needed as well as a more intense training of staff on monitoring techniques, especially in cases where monitoring visits are undertaken by junior staff not having the appropriate skills or familiarity with the IP operations reviewed. The scarce resources for monitoring IPs, remain a major challenge for most organizations.

94. Finally, in conflict and post-conflict areas, humanitarian crisis situations, and otherwise inaccessible regions, monitoring of IP activities remain an ever present challenge which most organizations are working hard to overcome.

A. Risk-based monitoring of IP projects

95. On several occasions, internal and external auditors have recommended that United Nations system organizations develop and establish a systematic and risk-based monitoring framework for IPs. Especially for organizations that have a large number of IP projects, and limited staff to monitor the work, a robust risk-based monitoring framework would facilitate allocating scarce resources to those projects having the highest risk exposures. As part of the assessment and due diligence of an IP, the related risks should be identified and respective risk mitigation plans should

be developed and subsequently implemented. The level of risks would determine, inter alia, the extent and type of monitoring activities, additional due diligence measures, schedule of payments/instalments, reporting frequency, requests for supporting documentation, auditing arrangements, field/monitoring visits and spot checks.

96. While enterprise risk management (ERM) and risk-based approaches to various aspects of delivering projects, including risk-based auditing, are gradually becoming a standard practice in many United Nations organizations, this is not so much the case in the management of IPs. Some organizations, i.e. those that have recently updated their IP policies and guidelines, have started to address those shortcomings and have developed a risk-based approach to managing and monitoring IPs.

97. One example is UNHCR which is making commendable efforts to embed risk management practices into all processes related to IP management. A risk-based tool for pre-selection of partners was introduced in 2009. In addition, among other efforts, a guidance note on IP performance monitoring has been prepared for UNHCR offices on how to use and apply a more structured approach to monitoring IPs based on risks. Also a policy and procedure guidance on a risk-based approach for pre-selection of partners has been recently introduced. At WFP, following a review of existing risk frameworks of IPs to identify common risk assessment processes and tools to actively manage shared risks, it was decided that case studies and workshops with partners would be undertaken in Zimbabwe and South Sudan in order to ensure an understanding of how risks can be shared in field environments. The workshops identified a number of findings that were subsequently presented at the WFP 2013 Annual Partnership Consultations. Joint risk sharing workshops between WFP and IPs appeared to be effective forums to openly discuss risks, particularly where the size and/or the scope of the operations preclude effective risk sharing mechanisms. The workshops encouraged staff from WFP and IPs to share risks in the context of their operations, emphasizing the common objectives and risks and the identification and ownership of mitigating actions.

98. However, the Inspectors also observed situations in a number of organizations where monitoring activities were guided by convenience, circumstantial or incidental considerations rather than real risk factors. For instance, IP programmes would be visited in a specific region because they are easy to access, while remote programme sites, although of "higher risk" were never inspected or visited. In other cases low-risk project sites were visited because they happen to be in the same geographical area with other projects scheduled to be inspected. In other instances decisions on what projects need to be inspected are made *ad hoc* based on preferences of different programme staff or managers, who may use different criteria. Having a formal risk-based monitoring framework in place would help to ensure that risk factors are adequately taken into account, and allow for forward planning for mitigation of the risks and proper documentation of the process, as well as efficient use of scarce resources.

99. In this context, another issue observed was the schedule and modalities of payments to IPs. It was noted that in some instances the amount, level and frequency of tranches and the transfer modalities were not decided based on a careful assessment of the risks involved. In certain projects it is difficult, if not impossible, to get any advances reimbursed when non-compliance issues with

project implementation arise. There are organizations that advance up to 80 per cent of the resources up front, frequently to IPs that have not been well vetted, and this is problematic. The schedule and modalities of cash transfers to IPs should be an integral part of the monitoring framework for the IP concerned, based on a comprehensive and robust risk analysis.

100. The implementation of the following recommendation is expected to ensure effective monitoring of IP programme implementation.

Recommendation 7

The executive heads of United Nations system organizations should establish risk-based monitoring frameworks to guide their respective organizations in systematically monitoring programmes and projects delivered by Implementing Partners. The frameworks shall be adapted by country offices to best fit the types of interventions in the country specific environments.

B. Results-based monitoring of IP projects

101. The Inspectors observed that in most cases the IP programme/project budget lines are not clearly aligned to the activities, outputs, and outcomes, which makes it difficult to assess the quality of services delivered and whether value for money was received. Effective monitoring requires clear pre-set performance criteria and indicators forming the basis and benchmarks against which to monitor. While in some cases the responsibilities, activities and outputs expected from IPs were outlined in the IP agreement and the related project documents, this was not the case in specifying outcomes, results and impacts expected.

102. Reviews conducted of IP reports indicate that in most cases there is no direct correlation between the IP reporting frameworks and the results-based framework of the programme involved. It was noted that reporting by IPs is mainly focused on activities and rarely on results and outcomes. By and large, field managers interviewed felt that reporting by IPs should be more results-based and more closely linked to the results-based management (RBM) framework of the organization, and the AWPs, CPAPs and UNDAFs of the respective programme country.

103. As stated earlier, there is often a disconnection between financial and programmatic monitoring. To this end it is important to have clear, detailed and distinct financial and programmatic performance indicators included in the IP agreements and the related project documents, to allow for more rigorous, integrated and systematic monitoring of activities. In this regard some organizations, such as WFP (Nairobi), have started to conduct joint field and monitoring visits with teams composed of finance and programme staff.

104. UNICEF has taken a commendable initiative to produce new guidelines that call for programme documents to be prepared for larger partnerships (value and importance) which outline the logic of the results chain and an explanation of how the partnership contributes to the relevant programme results (i.e. outcomes, outputs, as appropriate). Additionally, UNICEF expects partnerships to contribute to

the achievement of results jointly identified with the government. This is documented in a work plan in which the broad outlines of activities being implemented by the IP must be incorporated. This allows UNICEF to monitor and review contributions to the achievement of a result.

105. The Inspectors recommend that **the executive heads of United Nations system organizations, in line with RBM principles, should include clear pre-set performance indicators in the IP agreements and/or the related documents such as the project document, workplan or IP project budget, which outline the responsibilities, activities, outputs, outcomes and results expected from the IPs.**

C. Remote monitoring

106. United Nations organizations increasingly operate and implement programmes and projects in difficult environments, such as post-conflict countries, humanitarian crisis situations, or areas and regions that are not easily accessible. This poses challenges to effective monitoring as access to beneficiaries may not possible or only under severe constraints, entailing in certain cases safety and security risks for United Nations staff.

107. In addressing those challenges, some organizations such as UNICEF, WFP and UNHCR, have started to apply remote monitoring techniques in managing projects. Those include web-based remote monitoring (*e.g.* through satellite images, photos sent by e-mail/text message, etc.), the establishment of quality assurance teams (field staff with relevant technical expertise and knowledge and access to some of the programme areas/sites), third-party monitoring (through hiring external consultants located in the respective programme countries), beneficiary/community group/local government monitoring and triangulated monitoring.[11] Applying remote monitoring techniques comes with benefits, such as reduced costs, but also disadvantages, such as limited reliability of data and evidence and risk of subjectivity in information-gathering.

108. The Inspectors were informed that remote monitoring may be in some cases the only possible way of monitoring projects, and it was noted that when working in severe operational environments remote monitoring has become more and more the rule rather than the exception.

109. The Inspectors are of the view that **United Nations organizations, in particular those frequently working in difficult operational environments, should consider developing and applying remote monitoring techniques for IP projects, drawing upon the collective experiences of and lessons learned by other United Nations system organizations, such as UNICEF, UNHCR and WFP.**

D. Evaluation

110. Performance evaluation of individual IPs is not systematically done in most organizations and there is a lack of central records on IP performance. As indicated

[11] See *e.g.* UNICEF, Office of Emergency Programmes, "Remote Programming in Humanitarian Action: Programme Guidance (2012)".

in previous sections clear pre-set performance criteria and indicators should be included in the IP agreements and related documents to form the basis against which to measure IP performance. Such evaluations determine the IPs fulfilment of the agreements with regard to quality, delivery and timeliness of the work. They also provide a record of IP performance which can be used as reference for future selection decisions and minimize the risk of entering agreements with poorly performing IPs.

111. Furthermore, in most organizations reviewed it was observed that evaluations of programmes and projects do not focus systematically on IPs and their work. Some IP-related issues are being addressed transversally as part of the general evaluation regime of programme and country office evaluations. This general evaluation regime consists of evaluations conducted either by a centralized headquarters evaluation office and headquarters programme departments, or decentralized managed by country or regional offices and conducted by external evaluation firms or consultants.

112. Usually evaluations at field offices are carried out at various stages of the programme cycle and are often done jointly with others, including other United Nations organizations (under DaO or UNDAF) and occasionally with the participation of IPs that are implementing the programmes.

113. Some organizations have established thresholds above which programmes or projects are evaluated. For example in ILO evaluations are required for projects above US$ 500,000 and in UNESCO for IP projects over US$ 1 million. In many cases, however, evaluations of specific IP work are normally carried out as a sub-element in the organization's global and/or country evaluation plans as well as upon discretion of the programme managers at country offices. In some organizations, attempts have been made to evaluate all programmes and projects (regardless of who is the implementing party), for instance at UNEP and DESA, but difficulties were experienced due to resource constraints.

114. Evaluations for programmes and projects funded by voluntary contributions and implemented by IPs are in some cases conducted at the request of donors. Separate funding may be provided for the evaluation and occasionally donors determine the scope and modalities of the evaluation. Those evaluations are more tailored to fit donor needs rather than being part of the overall evaluation strategy of the organization.

115. As a measure of good practice UNICEF promotes the use of self-evaluation at country level by their IPs, and has made increased efforts towards strengthening the evaluation capacity of partners, both national governments and NGOs/CSOs, in line with its evaluation strategy.[12]

116. Another good practice is the initiative by evaluation offices, i.e. at WFP, FAO and UNHCR, to conduct strategic and cross-cutting evaluations specifically addressing IP modalities and other partnership frameworks of their organizations, looking at questions such as country offices' capacity for partnering, the sustainability of those partnerships, the adequacy of guidance for and coherent understanding of partnerships, and the role and capacity of the partner/IP.

[12] See e.g. UNICEF 2008 Evaluation Policy as approved by its Executive Board.

117. A number of challenges were brought to the attention of the Inspectors regarding IP-related evaluations. A recurring issue is resistance on the part of some government partners to have "outside" groups evaluate government-implemented activities and their insistence to conduct instead their own self-evaluations. However, the evaluation capacity of some national audit offices is an issue that impacts the effectiveness of the on-the-ground evaluation of programmes, as it has been already highlighted in a previous JIU report on NEX.[13] Another reported challenge is that the evaluation responsibilities and coverage are not clearly defined in the IP agreements with specific criteria and indicators and as such measuring effectiveness and impact of programmes is nearly impossible. Most interviewees also felt that while self-evaluations were a useful tool to support monitoring and evaluation, lack of training and understanding of evaluation methodologies and approaches were a major obstacle in the effectiveness and usefulness of the exercise.

118. Most importantly, interviewees indicated that in most cases there is no systematic feedback and follow-up on evaluation findings, which puts organizations at a disadvantage in gaining from lessons learned and past experiences and in promoting knowledge-sharing within the organizations and with other organizations and partners.

119. The Inspectors would like to note that JIU is currently undertaking a review and analysis of the evaluation function of United Nations agencies across the system. The reader is guided to relevant findings and recommendations of such review upon its completion.

E. IP monitoring and evaluation practices of other organizations

120. In the case of financial development banks and other institutions, such as the World Bank, IFAD and the Global Fund, there is a practice of establishing cross-functional project and monitoring and evaluation (M/E) teams for projects financed by them and implemented by third parties. The project management and M/E teams are usually led by a task leader and are composed of officers and experts from various relevant functional groups, including programme, finance, M/E as well as other technical experts depending on the type of project. As the field presence of those institutions is often limited, M/E teams are usually external consultants and experts contracted for such tasks.

121. The M/E activities are conducted in line with tailored and detailed M/E plans which have been developed after a thorough and extensive pre-assessment of the IPs, and a risk assessment of the type, size and other features of the projects. The M/E plans also include expected outputs, time frames and performance indicators. Interviews with those institutions indicate that having cross-functional M/E teams doing performance assessments and monitoring in line with such rigorous M/E plans contributes to effective and efficient delivery of projects.

122. While the Inspectors are cognizant of the different working modalities, methods and structures of financial institutions, they note that these institutions have developed fairly sophisticated procedures and management systems in selecting and managing IPs, including robust monitoring and evaluation frameworks. Given the resource limitations of this review, an in-depth exploration

[13] JIU/REP/2008/4, paras. 74-79 and recommendations 7 and 8.

of these systems was not possible. There is scope, however, for a comprehensive assessment of practices and tools in IP management that exist outside the United Nations system to determine practices that could be adapted by United Nations organizations.

IX. Audit arrangements

A. Overview

123. United Nations organizations have in place audit regimes as part of their accountability framework, which, in addition to their other mandates, provide assurance to the organizations' legislative bodies that funds transferred to IPs have been used as intended and in accordance with applicable regulations. These regimes include audits conducted by internal audit offices, by external auditors; and by audit firms contracted by the field offices specifically to audit IP projects. In addition, supreme audit institutions of national governments may conduct IP-related audits, especially in cases where the IP is a government entity.

124. In most organizations headquarters-based internal audit offices do not conduct IP audits directly. IP issues are reviewed transversally as part of the programme/projector country office audits which are selected based on the annual audit risk plan of the internal audit office. While they are not specifically dedicated to IPs, those audits may include site visits in projects implemented by IPs, spot checks and verification of invoices or other supporting documentation. No separate report on a specific IP or IP project is issued, but the results of the IP related verifications, and/or findings are reflected in the internal audit reports.

125. A number of organizations require dedicated financial audits of IPs to provide assurance on the use of funds and compliance with signed agreements and applicable regulations. In the case of UNDP and UNFPA these audits are known respectively as NIM and NEX audits when they involve national execution or implementation either by national government entities or by NGOs/CSOs. NIM/NEX audits are conducted by a variety of audit actors, such as audit firms and consultants hired by the organizations, national audit offices (Supreme Audit Institution (SAI)); joint government and United Nations agency auditors; and joint IP and government auditors.

126. Other organizations (*e.g.* UNICEF) reported that they conduct IP audits relying on the HACT audit principle which assesses the existence and functioning of the IP internal controls (see section below and chapter X). Yet others (*e.g.* FAO, ILO, WHO) do not require systematic IP audits but reserve the right to audit IPs on a need-to basis, usually as part of their overall risk-based audit plan. Annex IX provides information on IP-related audit arrangements as reported by a number of United Nations system organizations.

127. Lastly, as part of expressing an opinion on the overall financial statements of organizations, external auditors of United Nations organizations review, inter alia, the adequacy of assurance mechanisms and internal controls in respect to funds transferred to third parties such as IPs.

B. NEX/NIM audits

128. For some national government partners, the respective projects are subject to audit coverage by the national audit office or by external consultants contracted by the organization depending on the circumstances.[14] NIM/NEX audits involving NGOs are conducted mostly by private audit firms or audit consultants contracted by the country offices. Organizations, such as UNFPA and UN-Women, have concluded long-term agreements (LTAs) with a global audit firm to perform such audits.

129. In terms of scope the NIM/NEX audits are usually comprised of two components:[15] (a) a financial audit to express an opinion on the project's financial statements[16] including the statements of cash position and assets and equipment; and (b) an assessment of the IP internal control system covering areas such as financial management, the selection and recruitment of project staff and consultants, procurement and the use and control of project assets. The review usually includes a general assessment of the project's progress and timeliness in relation to progress milestones and planned completion dates.

130. Audit standards that apply depend on whether the audits are carried out by a private audit firm or the SAI of the host government. When a private audit firm is used, the International Standards on Auditing (ISA) usually apply, while in the case of the audit by the national audit office, the International Standards of Supreme Audit Institutions (ISSAI) are taken into account.

131. The NEX/NIM audit coverage takes into account various elements, i.e. monetary thresholds, specific risks associated with a particular IP, type of project/programme implemented by an IP, the country of operation. For instance, UNDP, inter alia, assigns different risk ranks to country offices ("high", "medium", and "low") determined annually as a result of an exercise that takes into account quantitative and qualitative factors. The risk-based approach to NEX/NIM audits implies that the lower the NEX/NIM audit risk rank for a particular country office, the higher the monetary threshold of the projects to be audited in a given year. Other organizations, such as UNFPA and UNHCR, apply thresholds determined annually, with the objective of achieving coverage of a certain percentage of total expenditure allocated to IPs in a given year.

132. Some organizations have in place the good practice of having country offices upload audit reports to a database/follow-up system, such as the Comprehensive Audit Recommendations Database (CARDS) at UNDP, National Execution Audit Management System (NEXAMS) at UNFPA, and Management Systems Renewal Project (MSRP) and eSafe at UNHCR. In the case of UNDP, the internal audit offices provide and issue on an on-going basis guidance for the NIM audits, review and revise the terms of reference (TORs) periodically and provide other support as

[14] *I.e.* application and adherence to internationally accepted auditing standards by the SAI.

[15] Using the case of UNDP as an example; for further information see "National Implementation by the Government of UNDP Supported Projects: Guidelines and Procedures, UNDP, 1 July 2011" and "Specimen Terms of Reference for audits of NGO and NIM projects, Rev. November 2012".

[16] Based on the Combined Delivery Report (CDR); for further details, see e.g., "NEX Audit Guide for UNFPA offices, October 2012, pages 9-10", and for UNDP "Specimen Terms of Reference for audits of NGO and NIM projects, Rev. November 2012, pages 5-7".

required. At UNFPA, similar functions are entrusted to the UNFPA NEX audit unit. In both organizations the internal audit or other headquarters management oversight functions may also review the adequacy of the NEX/NIM audit process in the context of and as part of their regular country office audits.

C. IP audits under HACT

133. The HACT framework introduces a risk-based approach to management of IPs, from financial assessments and choice of cash transfer modality to formulation of an audit and assurance plan that targets each IP with a scope and frequency of monitoring activities directly driven by their capacity and risk rating.[17] Audits of IP projects take place at the completion of a project or during project implementation in the form of spot checks or special audits depending on the ongoing risk assessment of the IP. The HACT modality and challenges facing organizations implementing HACT are addressed in chapter X.

134. Where several United Nations agencies work with the same IP on a particular programme, the audit is undertaken jointly and the assessment is not specific to any of the agencies' funds, but limited to the IP internal controls. During the audit, transactions of all agencies may be tested.[18]

135. The main differences between the assurance models under NEX/NIM audits and HACT can be summarized as follows:[19]

Assurance Model	NEX	HACT
Approach	Assurance through large coverage (financial audits)	Risk-based assurance
Purpose of audits	Assurance over use of funds	Assurance over IP's internal controls
Frequency of audit and assurance	Annual audit based on threshold and past audit outcome	Scheduled audits and spot checks over the programme cycle based on risk rating of the IP and a threshold
Financial opinion	Yes	No
Audit of CDR/ FACE	Yes	No

Source: Adapted from the UNFPA NEX Audit Guide for UNFPA Offices (October 2012), p. 14.

136. Country offices are responsible for selecting private audit firms or SAI, if assessed as competent, for the HACT scheduled and/or special audits of IPs. The

[17] UNFPA, NEX Audit Guide for UNFPA Offices (October 2012), p. 13.

[18] NEX Audit Guide for UNFPA Offices (October 2012), p. 14.

[19] Adapted from UNFPA as presented in NEX Audit Guide for UNFPA Offices (October 2012), p. 14.

hiring of external auditors is conducted in accordance with the HACT guidelines issued by UNDG and the organization's procurement guidelines.

D. The supportive role of the headquarters internal audit offices

137. As mentioned above the headquarters internal audit offices, or other similar management oversight functions (e.g. the NEX audit unit at UNFPA), play a multifaceted role in the oversight of IPs. They review IP-related issues in the context of their regular country office audits when such issues are part of their field audit plan. Also, in organizations following the NEX/NIM audit model, they provide general guidance and advice, that may include providing standard TORs for audits done by the country offices, issue SOPs, perform quality checks of country office audits (usually of qualified IP audit reports and/or based on random sample), help the country offices in selecting IP auditors and/or LTAs with a global audit firm as appropriate, facilitate follow-up on IP audit recommendations, and provide occasional quality control over IP audits (*e.g.* as selectively practiced at UNFPA, UNDP and UNHCR).

138. The internal audit offices also provide input to assessing the risks associated with IPs in consultation with country offices, in view of globally determined risk levels and applicable thresholds, and as such providing the basis for the percentage of total IP expenditures subject to audit. They also facilitate follow-up through managing the audit follow-up database, reviewing selected IP audit reports and issuing corresponding management letters when needed.

139. **The supportive role and guidance provided by internal audit offices or similar headquarters management oversight functions to country teams under the NEX/NIM audit regime or similar audit regimes are a good practice that should be intensified subject to capacities and resource availability. This role also helps to address the risks of fragmentation of IP audits, as it allows maintaining the overall direction and oversight over the IP audit process within the organization while outsourcing the required IP-related field audit activity.**

X. HACT challenges

140. As a result of General Assembly resolution 56/201, UNDP, UNICEF, UNFPA and WFP adopted in 2006 a common operational framework for transferring cash to government and non-government IPs. The implementation of the Harmonized Approach to Cash Transfers (HACT) was intended to reduce transaction costs and lessen the burden that the multiplicity of United Nations procedures and rules creates for its partners. It was also envisaged that it would allow more emphasis on strengthening national capacities for management and accountability, with a view to gradually shifting to the use of national systems.

141. Under HACT, IPs use standardized forms and procedures for requesting cash transfers and reporting on expenditures. United Nations organizations select methods for transferring cash on the basis of risk assessments of the IPs that determine the required level of monitoring and auditing for the work. Under HACT the level of assurance for cash transfers moves from project level controls and audits, to assurance derived from system-based assessments and selective audits. Annex X provides a list of main differences between HACT procedures and those of

the previous regime on such issues as assessment of IPs, cash transfer modalities and monitoring and reporting methods.

142. According to a 2011 global assessment of HACT implementation,[20] 96 countries were in the process of implementing HACT, corresponding to 64 per cent of all programme countries.

A. HACT implementation challenges

143. In a 2008 report,[21] the HACT Advisory Committee (a UNDG committee established to coordinate HACT implementation issues) summarized some key challenges based on its annual implementation update. The report stated that while progress had been made, several concerns remained, including:

- Resistance of the central government counterparts to be subject to audit and assurance
- Inadequate commitment to HACT by United Nations agencies and staff
- Uneven and inconsistent implementation across the agencies
- Potential of HACT as a capacity development approach not fully exploited
- Lack of trained staff at the country level
- Systems of different agencies not yet aligned with the HACT procedures.

144. Similarly, in a 2011 study[22] conducted by DESA on harmonizing business practices of United Nations entities at the country level, a high-level UNDG-HLCM mission that visited various country offices addressed the need for a systematic approach to HACT and an increase in cooperation amongst implementing agencies. Findings include:

- HACT introduced a complexity to the management of cash disbursements and reporting which frequently exceeds the capacity of the United Nations and IPs at the country level
- In many countries, HACT is often accompanied by a parallel continuation of financial controls undermining the objectives of the harmonized approach[23]
- There is little incentive for HACT-implementing agencies to work together because the cost of coordination is perceived to be higher than the potential benefits from harmonizing HACT-related activities.[24]

145. The study emphasized that HACT is an area of considerable financial risk and recommended a review of the feasibility of HACT in the light of the significant commitment required to enable its full implementation.

[20] UNDG HACT Advisory Committee. "Global Assessment of the Harmonized Approach to Cash Transfer" (December 2011).

[21] HACT Advisory Committee "Harmonized Approach to Cash Transfers (HACT): Responses to key Implementation Challenges" (2008).

[22] UNDG HACT Advisory Committee. "Global Assessment of the Harmonized Approach to Cash Transfer" (December 2011).

[23] Ibid., pp. 7-10.

[24] See UNDG Joint Funding and Business Operations Network Meeting: Meeting Note for the Record (20 December 2011).

B. Internal and external auditors concerns

146. Strong concerns were also voiced in a joint audit of governance arrangements for HACT conducted recently by UNFPA and UNDP internal audit offices.[25] The audit highlighted significant gaps and shortcomings in HACT guidelines and implementation practices such as unclear accountability issues, inadequate monitoring, and weak compliance criteria. The auditors recommended that an inter-agency team revisit the HACT framework and decide to redesign it, as appropriate, ensuring that the issues identified by the joint audit are addressed.

147. Also, the BoA, in its "Concise summary of the principal findings and conclusions contained in the reports of the Board of Auditors for the biennium 2010-2011" (A/67/173), highlighted systemic issues involving the implementation of HACT, including "lack of clear understanding of which entity should be responsible for monitoring the implementation of HACT", "incoherent implementation of the framework in the field" and "general lack of progress in the implementation of the framework". BoA called for an urgent review of the framework as "it is not operating as intended".

C. A harmonized risk-based management instrument

148. In the conduct of this review the Inspectors interviewed a number of HACT users, at the country office level, in an attempt to verify the current status of some of the concerns expressed above. The framework was also reviewed to examine its methodology and approach in providing a risk-based operational management tool in dealing with IPs in a harmonized manner. Interviewees confirmed that difficulties continue to exist in making the framework fully operational. Most mentioned the lack of capacity and training, both of United Nations staff and IPs, as the biggest challenge for full implementation. Many agreed that the framework provides a valuable risk management tool especially in conducting IP assessments, but found the various steps of the framework complex and time-intensive.

149. The adequacy of assurance that HACT provides through its various risk-based steps (macro/micro assessments, spot checks, monitoring, scheduled audits) has been an issue of debate among users and auditors alike. Some organizations and internal audit offices believe that the assurance provided by the HACT framework is not as robust as that provided by traditional financial audits. It should be noted, however, that the focus of internal and external auditors has not been so much on the capacity of the HACT conceptual framework to provide assurance, but rather on the lack of adequate assurance because of weak mechanisms in implementing it or the lack of full implementation (governance issues, lack of clear guidance and operating procedures, limited resources at country level, poor quality of macro and micro assessments, lack of adequate spot checks, poor monitoring, etc.).

150. HACT is one of few harmonized frameworks among United Nations organizations that provides for a systematic risk-based approach to managing and monitoring an activity from planning to completion. The Inspectors would like to draw attention to two aspects of the framework. While it was conceived mainly as a

[25] Joint Audit of Governance Arrangements for HACT by UNDP and UNFPA audit offices with the involvement of UNICEF (November 2012). Available at the websites of UNDP and UNFPA.

means to provide assurance on the method of cash transfers to IPs, the framework also provides, if properly implemented, for two important aspects of IP management, that of capacity-building and of programmatic monitoring.

151. Macro and micro assessments are intended to identify weaknesses in IP financial and management systems and provide an opportunity to determine capacity development needs the fulfilment of which will provide assurance for the proper delivery of programmes and projects. However, most field offices visited by the Inspectors were not developing capacity-building plans to address identified weaknesses on the part of IPs nor was there a requirement for reporting on such plans. Further, according to the HACT guidelines, the results of the macro assessments should be incorporated in the UNDAF process. Nevertheless, interviewees reported a disconnection between the macro assessments conducted under HACT and UNDAF and in many cases the opportunity for incorporating identified capacity needs was not taken into account.

152. A number of interviewees highlighted the need for an emphasis in the programmatic aspects of monitoring under HACT which they feel has been minimized by the overwhelming focus on financial issues. They believe that HACT presents an opportunity for strengthening programmatic monitoring as it provides for a risk-based framework that should complement the overall programme risk management plan.

153. It was noted that UNDG has engaged the services of an external consultant to review HACT and address implementation issues with the objective of strengthening the HACT framework. At the time of this review draft versions of the consultant report were being discussed among United Nations organizations with the expectation for a final report in late 2013. An analysis of potential improvements addressed in the consultant report was not feasible within the context and time frame of the present JIU review.

154. Notwithstanding reported implementation challenges, the Inspectors are of the view that **the HACT framework in its totality of processes which focus on a risk-based approach to assurance and audit, has the potential of achieving its intended objectives effectively if gaps highlighted by auditors are addressed and a robust implementation regime has been put in place. Revisions and improvements under way to strengthen the HACT framework should take into account, *inter alia*, the need for strengthening aspects of programmatic monitoring and capacity-assessment mechanisms.**

XI. Fraud prevention and detection

155. Fraudulent behaviour on the part of IPs can seriously damage the reputation of United Nations organizations and diminish Member States' trust in their ability to deliver results in an effective, accountable and transparent manner. Because United Nations organizations are not, in most cases, the direct recipients of the services covered by the work implemented by IPs, it is often difficult to determine the levels of service actually provided or if the intended number of beneficiaries have actually received the service. The situation is exacerbated in emergency and humanitarian interventions that take place in remote locations where security and other factors come into play.

156. Hence, United Nations programmes and activities implemented by IPs and involving considerable amounts of funds are potential fraud and corruption magnets. In addition to the difficulties in measuring or verifying if IPs have done what they were paid to do, IPs and their subcontractors may be perpetrating fraud through falsification of capacity credentials, overstatement of costs, and failure to provide adequate levels of service. The nature of the agreements signed when engaging IPs is a related element of concern. As mentioned in previous chapters, inconsistent selection processes and ineffective agreements signed with IPs create weak internal control frameworks. The fact that these agreements are not subject to the more stringent procedures applied to commercial contracting/procurement makes the case of potential fraud by IPs more ominous.

157. This review revealed that the magnitude of IP-related fraud remains relatively unknown in the United Nations body of knowledge. Compared with fraud statistics reported by the Association of Certified Fraud Examiners (ACFE),[26] and as has been highlighted by BoA in various audit reports, the levels of fraud reported in the United Nations system are unusually low. Similarly, the Independent Audit Advisory Committee (IAAC) could not say with certainty whether the low level of procurement investigations conducted in the United Nations was due to improved controls or was failure to report and/or detect fraud.[27] The above should be a matter of concern to management and legislative bodies alike.

158. **The Inspectors suggest that measures over possible fraud and corruption in IP-related activities need to be addressed on a broad front — starting with an anti-fraud policy and risk management processes and implementation strategies at headquarters and country and regional offices, and including the development and deployment of additional support mechanisms directed at fraud prevention and detection at the level of programmes and projects.**

159. Such measures should also take into account the JIU report on "Accountability frameworks in the United Nations system" (JIU/REP/2011/5) which set two benchmarks aiming to reinforce the control environment and anti-fraud-related activities:

Benchmark 5: Ethical conduct, standards of integrity, anti-corruption and anti-fraud policies are in place and enforced.[28]

Benchmark 11: Financial regulations and rules (FRR) in the United Nations system organizations should embody anti-fraud and financial misconduct policies and are implemented practically.[29]

160. Against this background the Inspectors note that a number of United Nations organizations have taken measures to address fraud prevention and detection, including fraud committed by internal as well as external parties. Such organizations as WFP, UNDP, UNOPS, UNFPA, UNIDO, UNICEF and others have published specific policies to address fraud and facilitate controls to prevent, detect, report and investigate fraud.

[26] ACFE 2012 Report to the Nations on Occupational Fraud and Abuse: a typical organization in the private sector loses 5 per cent of its revenues to fraud.

[27] A/67/259, IAAC 2011/2012 Annual Report.

[28] JIU/REP/2011/5, p. 21.

[29] JIU/REP/2011/5, p. 32.

161. While examining in detail the adequacy and rigour of the current anti-fraud measures in place by United Nations system organizations, is constrained by the limited resources of this review, certain aspects of relevance to IPs came to the attention of the Inspectors as addressed below.

A. Fraud awareness

162. While most organizations have, in one degree or another, certain processes and procedures in place to combat fraud, a lack of fraud awareness among staff and related training and skills became apparent in the conduct of this review.

163. Most of the staff interviewed indicated that they had received no training in fraud-related issues in the previous five years. Also the level of awareness about how their organizations were addressing fraud in general was alarmingly low. Nearly all of those questioned were unsure whether their organization had encountered any fraud cases or carried out an investigation into fraud of IPs over the preceding five years. Awareness is fundamental to fraud mitigation. Without being aware that fraud is occurring — or that it could occur — an organization is unlikely to be successful in mitigating or moderating it.

164. If United Nations organizations wish to realize a sustained zero-tolerance culture to fraud, as some existing anti-fraud policies reviewed indicate, United Nations staff would also need to understand better how anti-fraud measures in place apply to cases of IP fraud, and receive the right training and guidance to support this effort. Fraud awareness training, especially at the country level, should go beyond the typical anti-fraud training addressing occupational fraud, and focus on important areas such as misconduct and fraud when dealing with third parties, financial statements fraud, and due diligence and corruption.

165. The implementation of the following recommendations is expected to enhance effectiveness of engaging IPs for programme delivery and mitigate possible fraud risks.

Recommendation 8

The executive heads of United Nations system organizations should institute training in fraud awareness and prevention, with emphasis on fraud related to third parties, for staff engaged with Implementing Partners (and especially staff in country offices).

B. Right to investigate IPs

166. Documents reviewed indicate that audit and investigation offices of a number of organizations have the right to conduct investigations into allegations of fraud and other financial irregularities, committed by contractors, IPs and other third parties. UNDP, FAO, UNICEF, UNIDO, WFP and others have similar policies to that effect.

167. However, not all organizations have investigative rights over IPs. At the time of this review a number of organizations (e.g. UNFPA, UNHCR) were revising their oversight function charters to include investigation rights/jurisdiction over third parties, and reference thereto was to be made in the respective agreements with IPs.

168. In some instances cases were reported where fraud and mismanagement occurred at the subcontracting level of IPs. Most IP agreements signed by United Nations organizations do not require the subcontracting partners to provide documentation or evidence in the conduct of an investigation. Legal obligations stop at a level between the IP entity and its subcontractor with no access by the United Nations at the subcontracting level. This reflects the difficulty of regulating an area where the jurisdiction of the United Nations is not clear and is lacking legal basis. **It was also noted to the Inspectors that the outcome of investigations and the disposition of such cases (the mechanism to ensure that action is taken regarding IP wrongdoing) is often not regulated. While there are mechanisms for staff-related investigation cases, and also vendor sanctions for procurement cases, the mechanism for IPs with the differentiation between government IPs and NGOs/CSOs still needs to be clearly defined.**

169. Investigations of government entities, when they are partners, remain a challenge. In most cases the national SAIs are the only ones that can conduct investigations of such entities. However, in certain countries, national audit institutions have not demonstrated capacity to carry out audits and investigations independently. While some organizations, such as UNDP, require that private audit firms should be engaged to carry out the work when national capacity is not available, the policies of other organizations are silent on that front. Instances were reported where joint investigations between the government auditors and United Nations investigators were conducted, but such cases are the exception rather than the norm.

170. The implementation of the following recommendation is expected to enhance the effectiveness of engaging IPs and mitigate possible fraud risk.

Recommendation 9

The executive heads of United Nations system organizations should revise existing oversight function charters to ensure that they have the right to investigate third parties involved in implementing United Nations-funded activities. The revised charters should be submitted to legislative bodies for approval.

171. Standard templates of IP agreements and other related legal instruments should be revised accordingly as indicated in chapter VII and the respective recommendation 6, to ensure that anti-fraud and anti-corruption policies are included in agreements signed with IPs.

C. Joint investigation of IPs

172. Two JIU reports (JIU/2011/7 and JIU/2000/9), addressed the need for more frequent and organized interaction among United Nations organizations with respect to investigations. Both reports suggested that such interaction should include: cooperation in the development of common standards and procedures for conducting investigations; the sharing of expertise when advice or assistance is required; the sharing of methodologies; developing joint training opportunities; exchanging personnel leading to a system-wide approach to investigations; and the undertaking of joint investigations, especially for multi-agency field-based activities.

173. In the course of this review it was observed that efforts have been made, albeit to a limited degree, for cooperation among organizations in conducting joint investigations of United Nations activities. A good example was observed in Nairobi where OIOS has embedded an investigator in the Risk Management Unit (RMU), which is part of the United Nations Resident Coordinator's Office for Somalia (see also chapter XIV, para. 223). The RMU and the OIOS investigator provide information and, upon request, advice to United Nations agencies on initiating investigations of IPs where such need has been identified through risk reporting. The RMU staff indicated that they have been coordinating with other investigation entities including UNDP, the World Bank and the European Union to improve information-sharing and when possible collaborate on investigations.

174. However, beyond these noteworthy but isolated efforts, much more needs to be done in sharing of methodologies, development of common standards and procedures, exchanging of personnel and especially exchanging investigative information on IPs in the same country or region where multiple United Nations agencies operate. The fact remains that United Nations organizations/UNCT members have their own audit and investigation units, which tend not to exchange information among one another. As a result, presumed fraud cases or audit reports on IPs at one United Nations organization are often not shared with other agencies working with the same IP or which may do so in future. These are not only theoretical risks, but as reported to the Inspectors, have actually been realized on a few occasions; for example it became evident through investigations in one country that three United Nations agencies provided multimillion US dollars to the same fraudulent IPs, which led to significant loss of money to those organizations. More systematic information-sharing and coordination among the organizations would have helped to avoid such cases.

175. At the 2013 Conference of United Nations Investigators, and in previous conferences, the issue of exchange of information among agencies was discussed and it is clear that there is increased awareness among United Nations internal oversight offices of the benefits to be gained from inter-agency cooperation when engaging in investigative activities of IPs. The greatest challenge to overcome, however, is the different legal frameworks under which each organization's investigation unit operates.

176. **The Inspectors would like to reiterate the importance of stronger cooperation and coordination among United Nations system investigative offices to address fraud prevention and detection when engaging with external parties such as IPs.**

XII. Operational management issues

A. IP management support unit

177. With a few exceptions, the selection and day-to-day management of IPs is delegated to country offices. Various departments and functional groups at headquarters and field offices provide support and backstopping in such areas as finance, law, procurement, policy support, audit, evaluation and programme management. Regional offices may also be assigned certain oversight roles and/or provide policy and general guidance and advice. The management of global IPs that cover a worldwide programme or territory is usually done at the headquarters level.

178. The decentralized management of IPs has the advantage of placing the selection and management on the ground and hence to staff who are most familiar with programme implementation and in close and continuous contact with their IP counterparts. However, it also leads to fragmentation and incoherence as IP policies and guidelines across different country offices are not always applied consistently and/or may be interpreted in different ways. Fragmentation is aggravated by the fact that most organizations do not have a single focal point or office to coordinate IP issues at the corporate level or provide operational support or policy advice.

179. Some organizations that engage with a large number of IPs and/or significant IP resource expenditure have started to address some of those issues by establishing centralized IP management units and also improving their way of collecting and managing information and data related to IPs. A good example is UNHCR, which has established a dedicated unit, the Implementing Partnership Management Service, located in the Division of Financial and Administrative Management. The unit coordinates matters related to IP management within UNHCR structures, and provides policy, procedures and guidance on IP issues. The unit also provides support to the field and facilitates the collection of IP data and information as well as information-sharing on the use of partners and IPs at a corporate level. A similar IP-related unit, the External Party Engagement Unit, is being established at UNODC to manage relationships with external parties which are not part of regular procurement actions.

180. UNFPA has set up a NEX audit unit to administer the IP NEX audit process, among other things. Also the UNFPA Strategy, Policy, and Standards Branch has started to develop the Implementing Partner Information Management System (IPIMS), a database for capturing key data and information on IPs at the corporate level. Both units have also developed and issued guidance on IP selection and management, which contributes to a more effective and coherent approach to engaging and working with IPs. Other organizations, such as WFP and UNEP have started to establish an IP/partner portal and have also assigned offices to coordinate and provide guidance on IP management issues — the NGO Unit at WFP and the Office of Operations at UNEP, which also acts as the secretariat to the UNEP Partnership Committee. Other organizations, such as FAO and IFAD, have created partnership offices or directorates to assist in implementing and operationalizing their partnership strategies and provide respective support. Some organizations (*i.e.* FAO, UNEP, and UN-Habitat) have also established partnership advisory

committees at headquarters that provide guidance, and/or review selection of major partners.[50]

181. Organizations that manage a large number of IPs may find it useful to follow the above examples and establish a dedicated IP management support unit at headquarters. This unit may, inter alia: collect and consolidate all key data related to partnerships throughout the organization, including administering an IP database, partner portal or other IP information tool; provide guidance on IP issues, including on the applicable policies, guidelines and procedures in consultation with other relevant offices; liaise among the different offices and functions dealing with IPs at the headquarters, regional and country level; assist in developing and conducting training on IP issues, both in-house to staff as well as to IPs; and serve as a forum for sharing information and lessons learned on IPs at the corporate level.

182. Subject to an organization's business model or project management approach, such a unit may be established as a separate office or as a dual function located at the organization's headquarters, on a temporary or pilot basis subject to regularization at a later stage. The establishment of such a unit should take into account the functions of existing offices which already provide certain IP services and support, so as to avoid duplication of functions and limit cost implications to a minimum. Consolidating and/or strengthening these already existing offices or functions should be taken into consideration accordingly. Such an IP unit may also be tasked with proving similar management services for other types of partners beyond IPs. It is advisable that the actual management of IPs should continue to rest with the organization's country offices which are best positioned to perform this task.

183. **The Inspectors recommend that the executive heads of United Nations system organizations should consider establishing a partnership management unit on a pilot basis, subject to regularization at a later stage, in charge of the functions indicated above.**

B. Information systems related to IPs

184. In recent years some United Nations organizations have made concerted efforts to automate the plethora of information related to the management of IPs. Managing this information, especially at organizations with a large number of IPs or large volume of projects, is a formidable challenge. As a result of the decentralized management of IPs and the involvement of various offices and functional groups therein, information and data on IPs is collected, kept and managed at different places in the organization's headquarters, regional and country offices. As indicated in chapter III, IP information can be found in the organizations' ERP systems, financial management systems, follow-up systems for audit and evaluation, and project management systems, files and notes at headquarters and field levels.

185. For example, IP-related information in UNDP is kept, inter alia, in ATLAS (its ERP system), CARDS, the financial dashboards for country offices, and on project files at country offices. Similarly, at UNFPA information on IPs is kept at country offices systems, ATLAS, the CARDS audit tracking system, the National Execution Audit Management System (NEXAMS), and the Implementing Partner Capacity

[50] See above chapter IV.

Assessment Tool (IPCAT). Further, in some organizations there is additional IP information collected through HACT micro and macros assessments, which in most cases is kept separately. The UNICEF ERP system (VISION) provides extensive information on IPs, e.g. on financial transactions, risk level and types of financial assessments and audits, and the number, value and types of partnership agreements, as well as outputs to which the partnerships contribute.

186. In addition to the lists and information on IPs kept at country offices, partner portals have been established by some organizations (UNEP, UNFPA, UNHCR, WFP) at the headquarters level.[31] Such portals provide key data on IPs, the organizations they are working with, and past project history. A good example is the UNFPA IPIMS application which offers, in addition to registering online IPs, additional functionalities, such as a search engine for IPs by various criteria, including thematic focus, past contracts, countries of operation etc. IPIMS merges partners' information from the ATLAS financial applications on expenditures which indicates the particular department working with each IP, and includes a feedback system where UNFPA staff members can rate their experiences with IPs with the purpose of knowledge-sharing.

187. Another notable example is the UNHCR Partner Database. It contains records of more than 2800 humanitarian IPs. For every IP there is information on its contact details, mission statement and memberships. It has a search engine that can display records by type of partner (national NGO, international NGO, governmental and intergovernmental), by country (of operations or origin) and other criteria. The database also contains an option to download Excel files which contain financial data on UNHCR collaboration with its IPs obtained from the UNHCR financial system.

188. The UNHCR database does not include performance information or rankings. IP performance is managed at the project level as reflected by the partner's delivery of the project within the scope of the project agreement. Most of the documentation related to the performance of the project is kept in the local project file. Other components of performance are maintained centrally: for example specifications of IP projects are captured by the UNHCR results-based management tool (FOCUS); financial performance is captured on the Implementing Partner financial reports which are uploaded into the UNHCR ERP (MSRP); and if the project is audited, financial performance can also be captured by the audit results. Also, audit results are uploaded to the UNHCR information-sharing system (Livelink) and monitored by the headquarters Implementing Partnership Management Service. The partner portal which is currently being developed at UNHCR will replace the existing database and permit easier sharing of performance and other IP-related information throughout the global operations.

189. The above examples show the complexity of having key information on IPs in an aggregated and user-friendly manner despite being already available in the various management and information technology (IT) systems. This situation is a typical challenge facing all organizations contacted for this review. Most serious is the case of organizations that do not have central IP databases or partner portals or

[31] WFP is in the process of developing an online Country Office Monitoring and Evaluation Tool (COMET), which will include a database on partnerships.

fully employed ERP systems. There exists a significant lack of key information that impedes the effective and efficient management of IPs.

190. In the view of the Inspectors, key information on IPs, such as basic data on specific IPs, resources allocated to them, current/previous agreements, past performance information and any other significant information such as qualified audit reports and evaluations, needs to be aggregated and readily available to management and staff at headquarters, regional and country offices. In the case of organizations with a large number of IPs this information is important for informed decision-making at all levels of the organization.

191. The implementation of the following recommendation is expected to enhance transparency and accountability.

Recommendation 10

The executive heads of United Nations system organizations should review the capabilities of their existing automation systems, such as ERPs and other database tracking systems, with the aim of supporting the management of Implementing Partners and consolidating related data in these systems. This action should be based on a cost/benefit analysis taking into account the level of need for such data.

C. Training needs

192. The need for training and capacity-building of IPs as well as United Nations staff has been highlighted as a major issue among participants in this review.

IP training and capacity-building

193. As mentioned to the Inspectors, one major impediment to effective programme implementation is the lack of capacity of a number of IPs in areas such as financial management, accounting, procurement and human resources management. The issue is exacerbated by the need for IP staff to be knowledgeable in the complex systems and methods of several United Nations agencies whose management and operating systems differ. Some of the current United Nations harmonization efforts (i.e. HACT) have helped in this regard, but in the view of IPs the degree of complexity of these different systems remains a problem.

194. In order to address this issue, most organizations do engage in training and management capacity building activities of both government and non-government IPs as related to the specific projects that are being implemented. These activities include informal on-going training during the implementation, and workshops on administrative processes such as reporting, procurement, budgeting, RBM, etc. However, as indicated by many interviewees, training is done ad hoc and not in a structured and systematic fashion.

195. Training needs for IPs should be identified upfront to allow corrective action proactively and avoid potential difficulties at a later stage of the implementation, so

as to enhance effectiveness as well as reduce transaction costs in the long run. While training challenges differ from country to country and from IP to IP, there are common training elements that apply to all types of IPs and occur in all programme countries alike, such as courses in code of conduct, internal control standards, fraud awareness, programming and financial management, etc. It would be useful for organizations to develop and establish corporate training strategies and plans for IPs. At the country level it was suggested that IPs working on joint programmes could be trained together by the organizations involved.

196. **It is recommended that United Nations organizations strengthen IP training and capacity building on operational management issues, and implement a more pro-active and systematic approach to IP training including the development of standard training and capacity development modules targeted to IPs. To the degree feasible training and capacity-building elements should be included in the IP agreement with corresponding funding allocated accordingly.**

In-house training for United Nations staff on IP management

197. Most importantly, adequate training is required and should be undertaken in-house for United Nations organization staff on IP selection and management (see also chap. VIII, para. 93). While most organizations have training in place which covers basic management and operational issues involving implementation of programmes, it is suggested that more training should be provided specifically addressing IP management issues, in particular on how to apply and comply with the existing IP policies and guidelines, including IP assessments, monitoring, and evaluation and reporting. This was especially mentioned to the Inspectors in reference to new or revised IP guidance and procedures, which many organizations have put in place in recent years.

198. In addition, due to the decentralized structure and management of IPs, interviewees felt that more detailed training material should be provided including SOPs, checklists, templates and other tools for certain aspects of working with IPs, which could help in practice to apply and comply with the IP policies and procedures. Finally it was suggested that additional special frameworks for difficult programme implementation countries and fragile environments be developed.

199. **The Inspectors recommend that United Nations organizations strengthen their staff training on IP management, and ensure that the necessary training instruments are in place to support effective and efficient implementation of projects and activities. Costs associated with such training should be identified up front as part of the budget and programming process.**

D. Performance feedback systems by IPs

200. Feedback by IPs on cooperation with United Nations organizations and on any issues related to programme implementation is usually provided informally throughout the whole implementation process. It may take place in the form of discussions and interactions during the pre-assessment of the IPs, negotiations in the context of preparing the project document and work plan, and periodic meetings during the project implementation phase. It should be noted that some United Nations organizations, such as UNHCR and WFP, conduct periodic or annual consultation meetings with IPs which includes discussions and consultations on

operational, policy and other issues including feedback surveys with implementing partners and other relevant documentation prepared by the respective United Nations organization jointly with its IPs.[32]

201. UNICEF has instituted the good practice of having country offices complete a self-assessment of their performance in managing partnerships as part of the annual review and reporting process. All country offices report on their performance against the six UNICEF global performance benchmarks related to partnerships. Based on the outcome of this review, country offices take action to enhance effectiveness. Country offices also report on their engagement with United Nations agencies and international financial institutions at country level on an annual basis. This enables systematic tracking of these important partnerships including their associated results.[33]

202. An evaluation conducted by WFP in 2012 addressed, inter alia, the need for establishing tools to enable a mutual assessment by partners of their strengths and weaknesses within the partnership. These assessments may range from contributions of the partnership parties to delivery, quality, transparency and other aspects of good partnership management and effectiveness.[34] The evaluation cited Kenya as a good example of the work done by WFP to formalize the country-level partnership evaluation system based on the principles of mutual accountability and respect.

203. **The Inspectors recommend that United Nations system organizations, in complementing their performance evaluations of IPs (see section VIII-D), should consider setting up a formalized performance feedback system to allow IPs to express and exchange views on common issues and to assess how well the partnership is working. Those mechanisms may include questionnaires, surveys and/or annual NGO-United Nations-Government consultation meetings. It would, among others, help to share lessons learned, and discuss ways for improving cooperation and effectiveness. It would also reflect the notion of a partnership on an equal footing.**

E. Other management issues

204. The following management issues have been brought to the attention of the Inspectors by many of the officials interviewed, and they have also been highlighted in a number of reports of organizations' internal and external auditors. They are being presented here for information purposes only, as some of them have or are being addressed by management or internal and external auditors in the various organizations contacted for this review.

Accounting for resources allocated to IPs

205. Prior to the introduction of International Public Sector Accounting Standards (IPSAS) there had been discussions in various United Nations system organizations as to whether resources allocated to third parties through an MOU or other type of

[32] For further details, see e.g. http://www.unhcr.org/ngo-consultations/index.html or http://www.wfp.org/about/partners/ngos/annual-consultations.

[33] UNICEF, Report on the implementation of the strategic framework for partnerships and collaborative relationships (2012).

[34] WFP strategic evaluation: From food aid to food assistance, 2012.

agreement should be accounted for as expenditure or advance. As a basic rule, in the case of delegation of responsibilities to the third party, the payment was accounted by some organizations as expenditure while in others it was treated as an advance. This was an area of concern to auditors who repeatedly raised the risks involved with such an approach. This situation is being remedied by the introduction of IPSAS which requires transfers to third parties to be treated, in most cases, as advances and be counted as expenditures only after having received confirmation on services provided.[35]

Programme support costs (PSC)

206. It was noted that some international NGOs ask for overhead costs for their headquarters (10-15 per cent), which has to be added to the 7-13 per cent PSC of the United Nations organization which then results in total overhead costs of about 17-28 per cent. In some cases, any further subcontracting done by the IP itself would further increase the overhead cost. While overhead costs should be taken into account as the cost of doing business, donors expect on the one hand minimum overhead costs, and on the other, they demand robust monitoring and oversight mechanisms which come with additional costs. The issues involved with overhead costs vary in degree of complexity and depend on the circumstances and the arrangements dictated by the specific projects and the modality of the IPs. This is an issue of interest to United Nations organizations as well as donors and the Inspectors believe it should be the subject of a separate review.

Liquidating outstanding advances

207. The issue of outstanding obligations had been highlighted by auditors in many reports. Most organizations have made efforts to follow up on and reduce outstanding advances to partners. UNDP has established a financial dashboard to monitor NEX advances which are updated based on the quarterly reports received by IPs. With the NEX dashboard it is also possible to reconcile information obtained through the NIM audits. Also, UNDP and UNFPA have started working towards introducing an electronic interface with IPs, through which it would also be possible to liquidate advances electronically including using the FACE form. This would be, in the case of UNDP, part of an IP online portal currently under development.

Programming and budget cycles of the United Nations system and government IPs

208. Another issue raised was the different budgeting cycles of national governments and the United Nations system organizations at the country level, which result in challenges for programme implementation. Furthermore, delays in processing payments from the national governments treasury to the recipient national implementing agencies are often encountered, which leads to programme implementation delays and subsequent increased costs.

209. It was also noted that the programme cycles of United Nations organizations, often annual programmes, and the corresponding AWPs and CPAPs, are in some cases too time restrictive and not suitable for long programme implementation through IPs. Since in many instances the design, preparation and signing of

[35] See also United Nations Policy Framework for International Public Sector Accounting Standards, Second Edition (final version) (27 August 2013), para. 10.2.15.

agreements with some government IPs takes a significant amount of time, annual planning and programme cycles may not be realistic. Many interviewees expressed the desire for multi-year planning and implementation cycles. UNICEF allows multi-year agreements with IPs under certain conditions within the confines of a country programme or humanitarian cycle.

Contributions, financial and in-kind, by IPs

210. In-kind and other contributions by IPs to mainly financed United Nations programmes come with additional challenges. Those contributions are often not detailed enough in the IP agreements, difficult to quantify in the case of in-kind contributions, and are not often monitored or audited by United Nations organizations.

XIII. Fast-track procedures

211. As stated in previous chapters, United Nations organizations often operate in difficult environments, such as post-conflict countries and natural or humanitarian emergencies. These environments create difficulties in the overall selection and management of IPs. In emergencies only a very limited number of suitable IPs are available, and their capacity, including those of government entities, may be limited.

212. The United Nations system together with other international actors have established inter-agency emergency response mechanisms and governance structures to deal with emergency settings, e.g. under the Inter-Agency Standing Committee (IASC), the Resident/Humanitarian Coordinator (RC/HC) system or the emergency clusters under DaO. Further, MOUs concluded by United Nations organizations with other United Nations system organizations, intergovernmental, governmental and NGOs/CSOs, may contain provisions for emergencies.

A. Fast-track procedures for IPs

213. Organizations such as UNDP, UNFPA and UNHCR, have put in place "fast-track" procedures applicable to engaging with IPs beyond the standard response procedures of the organization. For instance, the UNDP Fast-Tracking Crisis Response sets out initiatives to be undertaken at both the corporate level and the country office level in order to set the stage for country offices to respond quickly in emergency situations. Country offices, particularly in high-priority countries, are encouraged to undertake a NGO/CSO mapping of the country with a view to creating a pre-selected roster of NGOs/CSOs, which also includes an assessment of their expertise and capacity for certain key activities. This roster can then be tapped into in a period of crisis when UNDP needs to respond swiftly. At the corporate level, a similar process is carried out at headquarters for international NGOs with the objective of finalizing as many LTAs as feasible with as many of the partners as are found eligible.[36] An example provided to the Inspectors is the UNDP country office in Bangladesh which had conducted pre-assessments of suitable NGOs in advance so that they were pre-vetted and could be engaged without delays in

[36] Strategy for Fast-Tracking UNDP's Crisis Response, p. 5; a similar function serves the global agreements concluded by WFP.

emergency situations, such as be able to react quickly to recurring emergencies due to floods.

214. FAO has special policies and practices in place for emergency operations also covering fast-track selection of IPs and cluster approaches and coordination with other United Nations agencies including EU-ECHO. WFP has an emergency cluster system which also maintains a database of IPs for specific emergency operations and for standby partners. WFP interviewees indicated that as part of preparing for emergencies there is a need to build up the capacity of its IPs, so as to be in a position to supplement WFP at short notice in a specific area of need.

215. In some organizations with no specific fast-track procedures, there are existing provisions for waivers and exceptions from the usual steps for IP selection in cases of emergencies, as for example is the case at UNHCR.[37] In other cases heads of country office determine the procedures to apply in emergency cases. For instance, as indicated to the Inspectors, during an emergency operation in Pakistan, a country manager was confronted with cumbersome procedures to engage IPs that would have required 26 steps and about three weeks of delay. The country manager took immediate action as the responsible head of office, accepted the risk of deviation from the standard procedure, while in parallel reported to headquarters accordingly.

B. Standby agreements

216. A number of United Nations organizations including UNDP, UNFPA, UNICEF, UNHCR, WHO, WFP, UNESCO and FAO use and have concluded standby agreements with suitable government and non-government organizations. Standby agreements or standby partners are mostly used in the humanitarian context and they describe an entity funded and mandated to provide in-kind resources (in most cases experts and personnel) to United Nations agencies that deal with emergencies. Often standby partners are large international NGOs, which operate a roster of trained and qualified humanitarian personnel, in addition to their own programming activities. Access to those rosters of standby partners, allows United Nations agencies to deploy staff from the rosters upon short notice to serve in emergency operations, making the agreements an important part of the organizations' emergency response capacity. Some organizations have developed detailed guidance for concluding and operationalizing standby agreements.

217. Standby agreements are being recognized as having many advantages and they are considered to be a successful and effective practice. At the same time it was noted that they may have an unintended drawback, as they implicitly tend to favour international versus local partners and IPs. Another reported issue is that many agencies have signed standby agreements with similar partners, and hence the margin for the choice of experts and candidates on the standby partner rosters can be diminished and limited when a major emergency occurs.

218. While standby agreements are primarily made to support immediate response to a rapid-onset emergency, they have also helped to strengthen capacity

[37] UNHCR, Implementing Partnership Management Service Guidance Note: Partner selection for undertaking project agreements (April 2013), p. 5.

development of partner countries for emergency preparedness and risk reduction. Increasingly they support the broader IASC global cluster response.[38]

219. Several officials interviewed noted that it would be useful to have more detailed SOPs for certain aspects of the work with IPs and additional special frameworks for difficult environments, such as conflict or post-conflict situations and emergencies in particular, as United Nations organizations working in the humanitarian and development sector have increased operational activities in those contexts.

220. **It is recommended that United Nations system organizations, if they have not yet done so, establish or ensure that there exist policies and procedures for engaging IPs in emergency settings, taking into account respective risk-mitigation measures of operating environments. Efforts should be made to align the IP-related policies to the organization's overall emergency response procedures as well as the inter-agency emergency response mechanisms and governance structures, such as the Inter-Agency Standing Committee (IASC) and the RC/HC system.**

XIV. Inter-agency cooperation and information-sharing

A. Cooperation on the ground

221. *At the country level* the forum for discussions and exchanging IP-related information is the operational management group/team of UNCT. Most members of UNCT are represented in the group and it provides a place for discussing issues, such as HACT (e.g. macro and micro assessments) and other common operational matters. IP-related information is further shared among United Nations organizations in the various clusters (and related working groups) established within the framework of UNDAF, UNPAF or UNDAP in countries which operate under DaO.

222. In addition, informal consultations take place, albeit on an ad hoc basis, among United Nations agencies that work with common IPs. For instance, in cases where a United Nations agency works with a number of IPs, in particular NGOs or CSOs in a given country, it would usually engage other United Nations organizations that also have working relations with those IPs as seen necessary by the respective programme officers.

223. In some countries additional mechanisms for sharing IP-related information exist, for instance under governance arrangements of pooled funds. One good practices example is the operations in Somalia where 24 United Nations organizations operate under the Somalia UNCT. So as to improve risk management and set up a proper risk framework, a Risk Management Unit (RMU) was established as part of the RC/HC office to which it reports, to provide operational advice on risk management issues to UNCT and RC/HC. To this end, the RMU has developed a database with contracts of 13 United Nations agencies (at the time of review) amounting to about US$ 419 million with about 1,200 IPs and partners. The database also allows checking any IP against the United Nations Security Council sanctions lists and the World Bank vendor black-list. The related information is

[38] UNICEF, Civil Society Guide to Working with UNICEF (2012), p. 46.

gathered through the contract information provided by United Nations agencies, but RMU also sends out monitoring and surveillance teams to field missions to verify some of the information and for collecting additional data. The Inspectors were informed that similar RMUs are planned for Afghanistan and Mali.

224. As mentioned in chapter X, most interviewees noted that HACT has also improved harmonization and cooperation within the United Nations system to some degree and hence has facilitated the management of IPs. For instance in Kenya a HACT micro assessment of a government IP was made jointly by UNFPA, UNDP and UNICEF. The three organizations jointly established a cost plan for the micro assessment and decided on the TORs inducing the joint criteria for the assessment. An external consultant for the micro assessment was hired, and a joint committee composed of members of the three organizations was set up to oversee the process.

225. At the regional level, operational IP issues are discussed to some extent in the UNDG regional groups. For instance, UNDG Asia-Pacific meets quarterly under the chairmanship of the UNDP Regional Coordinator for Asia and the Pacific, based at the UNDP New York headquarters, for discussing operational and technical issues, including aspects related to IPs. The group is composed of the regional directors of the United Nations organizations and its membership is similar to that of the Regional Coordination Mechanism (RCM).

226. A common view of officials on the ground as well as at headquarters was that, despite the above forums for formal information-sharing and the informal case-by-case IP consultations, there is still a lack of sufficient information-sharing and cooperation among United Nations agencies on the subject of IPs. While, e.g. the selection of IPs is discussed in the clusters under DaO, neither the clusters nor the RC offices visited have a list of potential IPs or other partners with which the various agencies have worked. Organizations rely exclusively on information that may voluntarily be presented by cluster members in the meetings. There is also very little consultation among United Nations agencies prior to setting up agreements with IPs. In many cases information-sharing is not taking place at all, which has resulted occasionally in one United Nations agency engaging with an IP with which other agencies may have had questionable performance experiences.[39]

227. This situation poses significant challenges particularly in high-risk environments, such as post-conflict, humanitarian crisis or emergency situations. More than a dozen United Nations agencies in Somalia are working with and providing resources to the same IPs, in addition to the World Bank, the African Development Bank (AfDB), the European Union and other donors, which creates risks of double billing and contracting. As noted in chapter XI, fragmentation within the United Nations system both on the operational side and oversight/monitoring in relation to IPs was one of the major risks and impediments to fraud detection. More systematic and periodic information-sharing and enhancing coordination would help avoid risks in those environments.

228. A robust information-sharing framework for IPs would also improve identification of opportunities for joint pre-assessments under HACT and beyond,

[39] See also relevant audit and evaluation reports of DaO programmes, which have highlighted similar issues, for instance in the "Joint audit of the United Nations Delivering as One programme in Tanzania", report No. 886 (6 November 2012) and the "Independent evaluation of lessons learned from Delivering as One, final summary report (June 2012)" (A/66/859).

promote joint monitoring, evaluation and auditing of common IPs. It would also permit the use of pre-assessments, progress reports and audits already done by one United Nations organization, and hence reduce administrative and transaction costs. Further it would open possibilities for a more coherent approach to capacity-building and training of common IPs. As mentioned to the Inspectors, "more extensive sharing of information on IPs and experiences working with them on an inter-agency level could help save lots of money". As appropriate, lists of IPs with a bad record or suspected irregularities need to be shared periodically among UNCT members.

229. The implementation of the following recommendation is expected to strengthen inter-agency coordination and cooperation.

Recommendation 11

The executive heads of United Nations system organizations should instruct country offices to act at the country level to establish, in cooperation with other United Nations organizations, procedures for sharing Implementing Partner information. Channels for such cooperation should include operations management groups of the UNCT and clusters and working groups established under UNDAF, UNPAF and UNDAP.

B. Cooperation at headquarters levels

230. Currently no forum exists among United Nations system agencies at the headquarters level for discussing systematically substantive and all-encompassing issues related to IPs in particular and partnerships in general. A notable exception is HACT and the occasional IP discussions in the context of and in conjunction with other inter-agency themes.

231. Yet the fact remains that the majority of United Nations system organizations do work, in one way or another, with IPs, and several use IP modalities as the norm for programme implementation with significant amounts of resources expended through IPs. Further, the selection and management of IPs is cross-cutting and linked to most of the organizations' internal processes at headquarters, regional and country levels.

232. While IP selection and management is mostly decentralized and delegated to country offices, IP policies, procedures and other guidance are being developed and issued at headquarters levels. It would therefore be advisable for the United Nations system as a whole, as well as for the United Nations agencies concerned, to have an inter-agency forum for discussing IP issues at the headquarters level where knowledge, experiences, views and policy direction on IPs, can be exchanged. In particular issues such as IP modalities, capacity-building, pre-assessments/due diligence, agreements, accounting and financial management as well as monitoring, reporting, auditing, investigation of IPs would be of interest to all concerned. Organizations could draw from the experiences and work already done by others, especially at a time when several organizations are in the process of updating their IP policies and procedures.

233. The Inspectors believe, and a number of officials interviewed concurred, that such a forum could be most suitably established at the level of the CEB committees and their functional networks, as appropriate, either as a separate working group or as a recurrent item on the agenda of the already existing working groups under the HLCM, UNDG, and the High-Level Committee on Programmes (HLCP).

234. The implementation of the following recommendation is expected to enhance system wide coherence and harmonization.

Recommendation 12

The United Nations Secretary-General, in his capacity as Chairman of the CEB, should act to ensure that Implementing Partner policy and management issues become a regular agenda item of the three CEB pillars. Consideration of these issues can occur in a special Implementing Partner-focused working group or as a standing item in existing functional networks. Issues considered should include, inter alia, strategic frameworks, assessments, selection, agreements, accounting and financial management, monitoring and performance evaluation.

Annexes I-XI

Annexes I-XI are published only on the JIU website (www.unjiu.org) together with the report

I. Definitions of Implementing Partners

II. Expenditures by United Nations System Organizations to Implementing Partners

III. Strategies and Policies related to Partners and Implementing Partners

IV. Common Guiding Principles for Partnerships

V. Selection Criteria and Process for Implementing Partners

VI. Types of Implementing Partner Agreements

VII. Sample List of Provisions and Clauses of Implementing Partner Agreements

VIII. Example of a Small Scale Implementing Partner Agreement Template

IX. Audit Arrangements for Implementing Partners

X. HACT Procedures Comparison

XI. Major Challenges (Partial List) — As reported by Participating Organizations

Attachment 1

Overview of actions to be taken by participating organizations on the recommendations of the Joint Inspection Unit

JIU/REP/2013/4

		Intended impact	United Nations, its funds and programmes															Specialized agencies and IAEA													
			CEB**	United Nations*	UNCTAD	ITC	UNDP	UNEP	UNFPA	UN-Habitat	UNHCR	UNICEF	UNODC	UNOPS	UNRWA	UN-Women	WFP	FAO	IAEA	ICAO	ILO	IMO	ITU	UNAIDS	UNESCO	UNIDO	UNWTO	UPU	WHO	WIPO	WMO
Report	For action		☒	☒	☐	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☐	☐	☒	☒	☐	☒	☒	☒	☐	☐	☒	☐	☒
	For information		☐	☐	☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☒	☒	☐	☐	☒	☐	☐	☐	☒	☒	☐	☒	☐
Recommendation 1		a		E		E	E	E	E	E	E	E	E	E	E	E	E	E		E	E	E		E	E	E			E		E
Recommendation 2		a		E		E	E	E	E	E	E	E	E	E	E	E	E	E		E	E	E		E	E	E			E		E
Recommendation 3		f		L		L	L	L	L	L	L	L	L	L	L	L	L	L		L	L	L		L	L	L			L		L
Recommendation 4		f		E		E	E	E	E	E	E	E	E	E	E	E	E	E		E	E	E		E	E	E			E		E
Recommendation 5		d, f		L		L	L	L	L	L	L	L	L	L	L	L	L	L		L	L	L		L	L	L			L		L
Recommendation 6		f, h		E		E	E	E	E	E	E	E	E	E	E	E	E	E		E	E	E		E	E	E			E		E
Recommendation 7		i		E		E	E	E	E	E	E	E	E	E	E	E	E	E		E	E	E		E	E	E			E		E
Recommendation 8		f		E		E	E	E	E	E	E	E	E	E	E	E	E	E		E	E	E		E	E	E			E		E
Recommendation 9		e		E		E	E	E	E	E	E	E	E	E	E	E	E	E		E	E	E		E	E	E			E		E
Recommendation 10		a		E		E	E	E	E	E	E	E	E	E	E	E	E	E		E	E	E		E	E	E			E		E
Recommendation 11		c		E		E	E	E	E	E	E	E	E	E	E	E	E	E		E	E	E		E	E	E			E		E
Recommendation 12		d	E																												

Legend L: Recommendation for decision by legislative organ
E: Recommendation for action by executive head
☐: Recommendation does not require action by this organization

Intended impact:
a: enhanced transparency and accountability
b: dissemination of good/best practices
c: enhanced coordination and cooperation
d: strengthened coherence and harmonization
e: enhanced control and compliance
f: enhanced effectiveness
g: significant financial savings
h: enhanced efficiency
i: other

* Covers all entities listed in ST/SGB/2002/11 other than UNCTAD, UNODC, UNEP, UN-Habitat, UNHCR, UNRWA.
** Addressed to the United Nations Secretary-General in his capacity as Chairman of the CEB.

JIU/REP/2013/4
ENGLISH ONLY

REVIEW OF THE MANAGEMENT OF IMPLEMENTING PARTNERS IN UNITED NATIONS SYSTEM ORGANIZATIONS

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[1] Unless otherwise indicated, the content is based on existing policies, procedures and guidelines of organizations included in this review, and also on information provided by those organizations which responded to the JIU questionnaire.

Annex I

Definitions of Implementing Partners

Organization	Definition & Description[2]	Categories of IPs
	United Nations Funds and Programmes and other entities	
UNDP	IMPLEMENTING PARTNER Entity responsible and accountable for managing a project, including the monitoring and evaluation of project interventions, achieving project outputs, and for the effective use of UNDP resources. (As defined in UNDP Programme and Operations Policies and Procedures (POPP))	1. Government institutions 2. Civil Society Organizations (CSOs) 3. UN system agencies 4. Inter-governmental organizations (IGOs)
UNEP	IMPLEMENTING PARTNER Institution with whom UNEP enters agreements to support the delivery of a project or programme entrusted to UNEP	1. Government entities 2. Non-Governmental Organizations (NGOs) 3. UN system agencies/ organizations 4. Non-UN multilateral and inter-governmental entities 5. Others: Academic Institutions
UNFPA	IMPLEMENTING PARTNER The entity to which the Executive Director has entrusted the implementation of UNFPA programme activities specified in a signed document, along with the assumption of full responsibility and accountability for the effective use of UNFPA resources and the delivery of outputs as set forth in such programme documentation.	1. Government entities 2. Non-Governmental Organizations (NGOs) 3. UN system agencies/ organizations 4. Non-UN multilateral and inter-governmental entities 5. Others: Academic Institutions
UN-Habitat	IMPLEMENTING PARTNER Legal entity that has agreed to work together with UN-Habitat, in a collaborative relationship, to achieve common purpose or undertake a specific task as mutually agreed, that are relevant to the UN-Habitat mandate and objectives	1. Government entities (including government ministries, departments, local authorities and public institutions 2. Non-Governmental Organizations (NGOs) 3. UN system agencies/ organizations 4. Non-UN multilateral and inter-governmental entities 5. Others: Academic Institutions, Women Groups And Youth

[2] Information as provided in response to questionnaire, if no other source indicated.

Organization	Definition & Description[2]	Categories of IPs
UNHCR	IMPLEMENTING PARTNER Entity to which UNHCR has entrusted the implementation of programmes and projects specified in a signed document, along with the assumption of full responsibility and accountability for the effective use of resources and the delivery of outputs as set forth in such a document. (as defined in the UNHCR financial rules and regulations)	1. Government entities 2. Non-governmental bodies and other Non-Profit Organization 3. UN system agencies/ organizations 4. Non-UN multilateral and inter-governmental entities
UNICEF	IMPLEMENTING PARTNER The designation of an implementing partner (IP) requires that they have the principal role and accountability for the achievement of the programme result. UNICEF has a wide range of partners who can take on the implementation of activities or interventions with financial, technical and/or logistical support from UNICEF, particularly other UN agencies, governments, civil society organizations including non-governmental organizations. Implementation partnership modes usually range from provision of service to cooperation or collaboration.	1. Governments entities 2. Civil Societies Organizations (CSO) 3. UN system agencies/ organizations 4 Non-UN multilateral and inter-governmental entities 5. Others: National Committees for UNICEF, Global programme partnerships (GPPs), Knowledge and Research, and Media and Communication
UNODC	IMPLEMENTING PARTNER UNOV/ UNODC is currently in the process of introducing a new Framework on the Engagement of External Parties (FEEP). First formulated in 2012, and with more detailed guidelines and procedures under development, the FEEP will cover implementing partners (IPs), grantees, and "responsible parties" (RPs) where service contracts are awarded to government agencies or other UN entities. Under the proposed FEEP,IPs are defined as: "Implementing Partner: The entity responsible and accountable for managing a project in its entirety, including the monitoring and evaluation of project interventions and delivering project outputs, as well as for the effective use of UNOV resources. The objectives of engaging implementing partners could be, inter alia, obtaining external expertise, utilising external capacities, and encouraging ownership of project outcomes."	1. Government entities 2. Non-Governmental Organizations (NGOs) and Civil Society Organizations (CSOs) 3. UN system agencies/organizations 4. Non-UN multilateral and inter-governmental entities
UNOPS	The term "implementing partner (IP)" is not applicable for UNOPS within its rules and regulations. The question seems to refer to "implementing partners" in a way that does not necessarily "fit" with the way UNOPS sees an implementing partner. In the case of UNOPS, it does not delegate responsibility for the implementation of programmes/projects as it is done by other UN agencies such as UNDP. In the case of UNOPS, the term "implementing partner" could be interpreted or used more in the context of allocating funds in the	1. Grantees; 2. Agreements with governments; and 3. Agreements with UN system organizations

Organization	Definition & Description[2]	Categories of IPs
	non-procurement context to a grantee, a government, a UN system to implement a part of a project. In other words, there could be multiple "implementing partners" – an implementing partner is just another "tool" in the UNOPS toolkit for implementing a project – just like hiring staff through an HR process or hiring a contractor through a procurement process.	
UN Women	IMPLEMENTING PARTNER Parties responsible and accountable to UN-Women to manage individual programmes and projects. Each project has one implementing partner.	1. Government entities 2. Non-Governmental Organizations (NGOs) 3. UN system agencies/ organizations 4. Non-UN multilateral and inter-governmental entities
WFP	COOPERATING PARTNER Entities responsible for carrying out an activity on WFP's behalf, such as transport, storage and distribution, usually within a food (or cash) assistance intervention designed by WFP. WFP remains overall accountable to the host Government and its own Executive Board for the intervention or operation.	1. Government entities 2. Non-Governmental Organizations (NGOs) 3. UN system agencies/ organizations 4. Non-UN multilateral and inter-governmental entities
OCHA	IMPLEMENTING PARTNERS (of ERFs)/ HUMANITARIAN AND DEVELOPMENT PARTNERS Entities to which Emergency Response Funds (ERFs) are allocated and which fulfil the eligibility criteria of the Global Emergency Response Funds (ERF) Guidelines and pass a capacity assessment. IMPLEMENTING PARTNERS (of CHFs)/ HUMANITARIAN AND DEVELOPMENT PARTNERS Implementing partners that seek funding from CHFs become eligible to the fund if they can demonstrate a sufficient level of capacity in terms of institutional, managerial and financial structures. NGOs are subject to a formal assessment using a standardized format.	1. Non-Governmental Organizations (NGOs) 2. UN system agencies/ organizations (IOM) Others: Red Cross/ Red Crescent Movement

Organization	Definition & Description[2]	Categories of IPs
	Specialized Agencies	
FAO	IMPLEMENTING PARTNER Entities responsible to the executing (FAO) partner for the quality, timeliness and effectiveness of the services that it provides and the activities it carries out as part of the programme/project implementation, as well as for the use of funds provided to it for the procurement and delivery of the programme/project inputs and their conversion into outputs.	1. Government entities 2. Non-Governmental Organizations (NGOs) and other not-for-profit entity (CSOs, voluntary and community organizations) 3. UN system agencies/ organizations 4. Non-UN multilateral and inter-governmental entities 5. Others: Universities, Academic Institutions and Public Research Institutions
ILO	IMPLEMENTING AGENT *"[An "implementation agreement" is the name given to a written agreement with] a legally recognized non-profit-making entity, an international organization, a constituent of the ILO and/or an affiliated member of such a constituent ("implementing agent") to implement technical cooperation activities on behalf of the ILO, which would normally include capacity-building components."* *(Definition made by Procedure on Implementation Agreements, office procedure IGDS Number 270 (Version 1), 6 March 2012, para. 8)*	1. Constituent of the ILO 2. Non-Governmental Organizations (NGOs) 3. UN system agencies/ organizations 4. Non-UN multilateral and inter-governmental entities 5. Others: Universities and other Research and Educational Institutions
UNESCO	IMPLEMENTING PARTNER Implementation partners are 'not for profit' institutional entities to which funds are transferred for the implementation of a UNESCO programme or project. An implementation partner is expected to add value beyond the delivery of a product or service, and to participate in planning and review activities. An implementing partner often fulfils a unique function and cannot be easily inter-changeable with another organization. The implementation partner is entrusted with held accountable for successfully managing and delivering UNESCO programmes and projects outputs (AM 7.5 Article 2.1)	1. Government entities 2. Non-Governmental Organizations (NGOs) 3. UN system agencies/ organizations 4. Non-UN multilateral and inter-governmental entities 5. Others: Academia, Universities, Foundations, Research Institutes and Centres UNESCO Associated Schools, UNESCO Clubs and UNESCO Chairs
UNIDO	PARTNER ORGANIZATION DGAI 20/Rev.1 does not contain an explicit definition of the term "Implementing Partner". However, para. 1 of Article 1, Purpose, stipulates that "In line with the objective of "growth with quality", UNIDO intends to collaborate with organizations and entities in order to augment the efficient and effective implementations of its technical co-operation programmes and projects, with the objective of enhancing the national institutional capacity of programme countries in line with their priorities."	1. Government organizations 2. Non-Governmental Organizations 3. International, regional, and sub-regional public Organizations

Organization	Definition & Description[2]	Categories of IPs
	"The involvement of a Partner Organization may be considered appropriate where the specific collaboration would contribute to programme country ownership, and improve efficiency and accountability, as well as further enhance environmental and social safeguards, including gender mainstreaming."	
WHO	(IMPLEMENTING) PARTNER WHO is not an "implementing agency" per se and generally does not require the support of other entities to "implement directly" programs or projects on its behalf as some UN funds do. However to achieve its goals, WHO and its Member States work with many partners, including UN agencies, donors, nongovernmental organizations, academic/research institutions, WHO collaborating centres, consulting firms and the private sector. WHO works very closely with national health authorities and the term "direct implementation" is not really used since many of WHO's programme activities are done in conjunction with national governmental counterparts and often consist of national capacity building. Still WHO does enter into contractual arrangements with a number of entities falling within the categories of partners listed in the above paragraph. These contractual arrangements cover a variety of services including research projects, capacity building or monitoring health trends. Also, a few programme areas have an operational component at the country level, such as humanitarian activities or the global poliomyelitis eradication programme, which engage into contractual arrangements with some entities. For the purpose of this survey the term "implementing partners" (IP) will be used to refer to these entities.	1. Government entities (Health authorities) 2. Non-Governmental Organizations (NGOs) 3. UN system agencies/ organizations 4. Others: Academic and Research Institutions, WHO collaborating centres
WMO	IMPLEMENTING PARTNER Implementing Partners are entities responsible and accountable for managing a project, achieving project outputs, and for the effective use of resources. Implementing partners are typically the National Meteorological and Hydrological Services (NMHSs), Regional Climate Centres, civil societies, other UN Agencies, among others, identified based on an assessment of their technical, managerial, and administrative capacities, as well as relevant local knowledge needed to assume the responsibility for mobilizing and effectively applying the required inputs in order to reach the expected outputs and outcomes of any given project.	1. Government entities 2. Civil Society Organizations (CSOs) 3. UN system agencies/ organizations 4. Others: National Meteorological and Hydrological Services (NMHSs), and Regional Climate Centres

Annex II

Expenditures by United Nations System Organizations to Implementing Partners

	Resources allocated to implementing partners as per category (US$)										TOTAL allocated to partners (US$)		TOTAL organization expenditure		Percentage	
	(1) NGAs*		(2) NGOs**		(3) UNSOs		(4) MEOs		(5) Other***							
Organization	2008 – 2009	2010 – 2011	2008 – 2009	2010 – 2011	2008 – 2009	2010 – 2011	2008 – 2009	2010 – 2011	2008 – 2009	2010 – 2011	2008 – 2009	2010 – 2011	2008 – 2009	2010 – 2011	2008 – 2009	2010 – 2011
UNDP												6,702,855,000		11,266,302,000		59.49%
UNEP	44,580,000	61,000,000	154,440,000	272,040,000	303,540,000	273,000,000					490,980,000	607,040,000	930,000,000	908,000,000	53.66%	61.44%
UNFPA	240,035,382	276,908,240	134,404,295	194,056,275	5,890,292	7,111,476					380,329,969	478,075,991	1,456,407,861	1,631,436,464	26.62%	29.48%
UNHCR	223,804,038	244,977,844	805,961,774	1,206,156,722	23,108,072	26,407,934	11,043,388	11,869,830			1,153,707,272	1,489,497,330	3,423,940,000	4,258,875,000	33.70%	35.46%
UNICEF	954,328,177	1,117,807,484	725,801,362	961,658,221	10,750,171	11,425,053	221,250	3,067,640	5,450,908	9,870,818	1,696,551,497	2,130,249,225	6,323,777,000	7,424,310,000	26.83%	28.77%
UNODC	33,513,000	29,508,000	697,000		10,110,000	22,484,000	974,000	1,140,000			45,315,000	52,880,000	161,790,000	407,719,727	13.03%	12.96%
WFP (1)		73,062,565		50,190,220		8,533,302					(1)	82,076,175		502,382,175		16.46%
ILO	35,557,000	21,463,408	35,031,000	25,467,720					2,424,377	5,724,847	73,012,818	19,714,963	640,691,937	716,686,419	11.39%	2.75%
UNESCO	10,067,253	17,041,760	31,867,000	1,062,980	710,000			340,000	4,476,917	3,837,345	25,122,232	25,808,085	1,810,674,000	629,362,000	1.90%	4.10%
WHO	524,750,510	537,760,273		5,613,616		91,541,542			261,428,841	543,527,661	786,160,351	1,137,570,060	3,991,692,371	4,502,023,349	19.85%	24.77%
OCHA			88,291,083	232,679,201	31,190,000	74,548,044					129,451,071	307,227,305	560,324,000	810,830,128	23.10%	37.89%

Source: Information provided by organizations in response to JIU questionnaire, if not others as indicated

(1) National governments entities; *(2) Leading governmental agencies; (3) Specialized, mixed governmental organizations (not bodies) to serve as IPs

(2) NGOs; **(3) International NGOs; (4) Local NGOs

(3) UN system organizations

(4) Multilateral – treaty-governed IO, regional, etc.

(5) Other; ***(1) Private NGOs; (2) Academia; (3) Other (specify)

(1) UN in Kind IP expenses include $10.6m of the Multilateral Fund (2008-2009 $2.0m through resident (ex-resident (ex excluding UNDP) implementing agencies (UNDP $0.6m, UNIDO $3.9m and WB $3.8m. For IP expenditures other than those relating to the Multilateral Fund, the most highest were: UNDP (Iraq Cashless $27m, $ 40.0 bln, $ 0.6m, OAS $1.6m, UNEP WCMC $0.6m and UNIDO $1.0m)

(2) Expenditures of $27.6m for both (2) and NGOs (3) consolidated

(3) Intergovernmental organizations are included under NGOs

(4) Academia is included under NGO

(5) Treaty-body allocated on budget data as available at IP level. WHO noted that figures provided have been estimated from payments data rather than expense data

The figures shown in the chart refer to payments made to the WCO IPs that have received the highest amounts of resources for the period (2010-2011). Not all are included.

(6) Expenditures under Part I of the budget during 2008-09 amounted to US$634,025,735. Expenditures under Part IV of the budget during 2008-09 amounted to US$1,066,276. (UN 2008-09 – Financial Reports and Audited Financial Statements) p. 2

(7) (UN Financial reports and audited consolidated financial statements for the year ended 31 December 2011 p. 3 (UN 101339)

(8) UNESCO Executive Board 185 EX/25 2008-2009 p. 7

(9) UNESCO Executive Board 187 EX/27 2010 (p. 23 (404,583,000) + UNESCO Executive Board 190 EX/20 2011 p. 22 (629,362,000)

(10) Note 1: Payments to suppliers classified as Research Agencies

Note 2: 2008-2009 includes the total annual paid to Contractual Partners in General. Due to Financial System change in 2008 payments to non-IPs cannot be excluded

2010-2011 Payments under contract types AP/R, T/OA, T/SA excluding payments to UN Agencies/NGOs, Research Agencies and DEC suppliers.

(11) (Some summary of the principal findings and conclusions contained in the reports of the Board of Auditors for the biennium 2010-2011 (A/67/5/Vol. para 57. UNDP balances include only core and cost-sharing programme expenditures

Annex III

Strategies and Policies related to Partners and Implementing Partners

Organization	References to Partnerships in the Organization's Strategic Framework / Medium Term Strategy	Strategies, Policies related to Partners & Implementing Partners
	United Nations Funds and Programmes and other entities	
UNDP	*"IV. Revitalizing South-South cooperation, partnerships and coordination* *22. A stronger and more focused UNDP cannot, on its own, achieve the outcomes proposed in the Strategic Plan. Partnerships and coordination of effort will be essential. To this end, we will address three major areas:* *(a) Increased scale and effectiveness of UNDP's engagement with South-South and triangular cooperation;* *(b) Deeper cooperation with emerging partners on shared development priorities;* *(c) A UNDS strongly positioned in a changing world, reflecting United Nations values and norms, and responding effectively to country demand.* *23. We understand as well the importance of substantially expanding and improving the scope, quality and outcome of our collaboration with civil society, foundations and the private sector. As an important step in this effort, we have incorporated specific and substantive opportunities for partnership directly into our areas of work."* **Source: UNDP Strategic Plan: 2014–2017 (DP/2013/40), paragraphs 22-23**	• National Implementation by the Government of UNDP Supported Projects: Guidelines and Procedures 2011 • Implementing Partners Checklist. NEX Task Force Working Group 2008 • National Execution Manual (UNDP Bhutan) 2005 • National Execution Manual (UNDP Bangladesh) 2004 • Specimen Terms Of Reference For Audits Of NGO and NIM Projects 2012 • UNDP and Civil Society Organizations. A Toolkit for strengthening partnerships 2006 • CSO Capacity Assessment. Programme and Project Management 2012 • Capacity Assessment Practice Note 2008 • Programme and Project. Policies and Procedures 2012 • Handbook On Planning, Monitoring And Evaluating For Development Results 2009 • PMIG Project Management Implementation Guideline (UNDP Indonesia) 2009 • Evaluation of UNDP Contribution To Strengthening National Capacities 2010 • The Evaluation Policy of UNDP (DP/2011/3) 2011 • FRAMEWORK for Cash Transfers to Implementing Partners (UNDG 2005)

Organization	References to Partnerships in the Organization's Strategic Framework / Medium Term Strategy	Strategies, Policies related to Partners & Implementing Partners
UNEP	*"The business model employed by UNEP in pursuit of its planned results is to work through partnerships. UNEP aims to use partnerships as an opportunity to expand its reach and to leverage an impact much greater than it would be able to achieve on its own. The UNEP business model is also contingent on UNEP taking a leadership role in coordinating environmental matters within the United Nations system, in order to maximize impact by working in a more strategic and coordinated manner with partners in the United Nations system and the secretariats of multilateral environmental agreements. (...)* *B Operational achievements (...) 26 (g) Revamped policy and procedures on partnerships under implementation that strengthens the approach taken by UNEP to selecting and monitoring its partnerships, and also to managing risks. (...)* *C Lessons learned* *(...) 30. A strong corporate strategy and business model will enable the organization to play an increasingly strategic role within the United Nations, catalysing change and leveraging impact from partners, and go a step further in identifying new or strengthening existing strategic partnerships. Clearly identifying UNEP service lines in the 2014–2017 medium-term strategy will help inform partnerships and ensure that UNEP builds on its comparative advantage, while relying on partners to occupy other niches, thereby yielding a stronger impact than could be achieved by any one partner alone."* **Source: Proposed Medium-Term Strategy for 2014–2017, Report of the Executive Director (UNEP/GC.27/9), paragraphs 3, 26 (g) and 30**	• NEP Partnership Policy And Procedures October 2011(*Policy Outline No. 1/2011)* • NEP Policy on Partnerships and Guidelines for Implementation. Approved by UNEP Senior Management Team (August 2009) • Guidelines for the Use of UNEP's Standard Legal Instruments, Rev 24 March 2013 • Guidelines for Participation of Major Groups and Stakeholders in Policy Design at UNEP August 2009 • UNEP Programme Manual, May, 2013
UNFPA	*" B. Business model* *(...) 51. On partnerships, the organization needs to create a broader constituency for the ICPD agenda by letting go of it, and instead helping others internalize the relevant aspects of the ICPD agenda and embrace them fully.* *52. A key element of this at both regional and country levels is the introduction of partnership plans that delineate how UNFPA engages with key partners, such as governments, civil society organizations, and other United Nations organizations. This will include partnerships with emerging actors, such as new geopolitical groups and the private sector. Several initiatives have begun with the private sector and are showing promise, for example, the collaboration with Intel on midwifery education. UNFPA will expand what works and strengthen the culture of engagement with the private sector, so that it is looked to as a source of new ideas and approaches that can advance the ICPD agenda rather than simply a source of financing.* *53. UNFPA is an active supporter of Delivering as One, and will expand joint programming efforts. Another key element of partnerships is collaboration with implementing partners. UNFPA has made strides in reducing the fragmentation that has characterized its work with implementing partners, which will be continued in a way that*	The relevant sections of the UNFPA Policy and Procedures Manual: • Policies and Procedures for Selection and Assessment of Implementing Partners. June 2012 • Selection and Assessment: Sample Invitation for Expression of Interest. June 2012 • Selection and Assessment: Suggested Assessment Parameters for Selecting IPs. June 2012 • UNFPA Implementing Partners Capacity Assessment Tool. June 2012 • Registration of IPs. June 2012 • UNFPA Financial Rules and Regulations, revised version 9

Organization	References to Partnerships in the Organization's Strategic Framework / Medium Term Strategy	Strategies, Policies related to Partners & Implementing Partners
	is consistent with a broader emphasis on building national capacity rather than substituting for it. This means that the organization will re-emphasize national execution as its preferred modality. *(...)* *D. Organizational effectiveness and efficiency* *59. For this comprehensive approach to reform to succeed, UNFPA will have to continue to strengthen its internal management and operations. (...) A set of three outputs has been developed, as follows: (...)* *(c) Increased adaptability through innovation, partnership, and communications.* *(...)* *65. With regard to financial management, considerable progress has been achieved over the past several years, such as improving audit performance and reducing overdue fund accounts. (...) At the country-office level, focus will remain on ensuring robust selection and oversight of implementing partners.* *(...)* *69. The two other key elements of this output are partnerships and communications. Both of these are at the heart of how UNFPA advances the ICPD agenda. Both are also areas in which the organization can improve, such as by helping partner organizations to fully own the ICPD agenda, as described above. An emphasis will also be placed on ensuring clear division of responsibilities with other United Nations organizations. Strengthened collaboration at the global level will contribute to this, but the primary emphasis will be on ensuring clarity at country level."* **Source: UNFPA Strategic Plan for 2014-2017, (DP/FPA/2013/12), paragraphs 51-53, 59, 65 and 69**	http://www.unfpa.org/webdav/site/global/shared/DOS/UNFPA%20Financial%20Rules%20and%20Regulations.pdf • UNFPA Letter of Understanding for Country Programmes, May 2012, including: • LoU Amendment for Government IPs who signed LoU from Jan 2012 • UNFPA Standard Amendment to LoU for IPs implementing Social Marketing • UNFPA LoU for Global and Regional Programmes, May 2012 • Direct Payment Request Form, November 2011 • UN Agency to UN Agency Contribution Agreement, March 2012 • Policies and Procedures for Preparation and Management of Annual Work Plans (AWPs), November 2012 • Policy and Procedures for Programme and Financial Monitoring and Reporting, June 2012 Tools and Guidance Notes: • Working with UNFPA: Manual for Implementing Partners, June 2012 • Implementing Partner/Annual Work Plan (AWP) checklist - The purpose of this checklist is to help unit managers to practice due diligence before engaging with an IP or signing a new AWP, and comply with the required and recommended IP selection and AWP management procedures stipulated in the PPM. It also supports the measurement of the Strategic Plan's progress. • UNFPA Modalities for Financial Partnerships Chart • UNFPA Global and Regional Programme Guidelines for Implementing Partners 2009 • POLICY AND PROCEDURE FOR THE REGISTRATION OF IMPLEMENTING PARTNERS (IPs), November 2013 • NEX AUDIT GUIDE FOR UNFPA OFFICES, October 2012

Organization	References to Partnerships in the Organization's Strategic Framework / Medium Term Strategy	Strategies, Policies related to Partners & Implementing Partners
		• Terms Of Reference for Audit of UNFPA Funds Implemented By Partners (NEX) 2009 • FRAMEWORK for Cash Transfers to Implementing Partners (UNDG 2005)
UN-Habitat	"24. The emphasis in all seven focus areas will be on assisting urban local authorities and central government departments responsible for urban development to put in place more effective policies, strategies, plans and implementation systems, so as to meet the needs of the urban poor more efficiently and equitably. To achieve this, the catalytic role of UN-Habitat will need to be strengthened and the creation of partnerships at both the national and local levels promoted more vigorously. (...) 2. Catalytic role and partnerships 59. Greater emphasis will be placed on the catalytic role of UN-Habitat in global monitoring, assessment and advocacy, as well as in national policy and institutional capacity development. Consistent with this catalytic role, UN-Habitat will continue working with its key partners, i.e. national Governments, local authorities, non-governmental organizations and private sector organizations, and a more systematic approach to partnerships will be developed. The ultimate objective is to increase the number of partners and networks engaged in supporting the implementation of the sustainable urbanization agenda at the global, regional, national and local levels. Accordingly, the partnership and networking approach will be mainstreamed across all seven focus areas of the strategic plan. 60. Partnerships will be strengthened and expanded with United Nations bodies, international finance institutions and other Habitat Agenda partners for the monitoring, reporting and advocacy of urbanization issues and for capacity development and technical assistance at the national and local levels. Of particular importance will be the enhancement of UN-Habitat participation in the "Delivering as one" initiative at the country level, including its participation in the United Nations country teams and the United Nations Development Assistance Frameworks. 61. Common objectives and activities to promote sustainable urbanization will be agreed upon with specific Habitat Agenda partner groups, principally through the World Urban Campaign and the World Urban Forum as key catalytic vehicles for mobilizing partnerships and networks. In addition, for each substantive focus area, UN-Habitat will strengthen its working relationships with key networks of professionals and other partners, and also explore the possibility of partnerships with non-conventional partners, especially in the non-governmental and private sectors." **Source: Draft strategic plan 2014–2019 of the United Nations Human Settlements Programme 2014–2019 (HSP/GC/24/5/Add.2), paragraphs 24 and 59-61; see also 63-67**	• UN-Habitat Partnership Strategy, May 2011 • Terms Of Reference Of The Review And Advisory Committee (RAC) On The Selection Of Implementing Entities For Agreements Of Cooperation And Operating Procedures Of The Committee And Guidelines For The Selection Of Implementing Entities For Agreements Of Cooperation, December 2012 • Standard Operating Procedures for Agreements of Cooperation, December 2012 • GUIDELINES ON THE USE OF UN-HABITAT'S AGREEMENTS AND LEGAL INSTRUMENTS, Prepared by: The Legal Unit, UN-Habitat, As of 1 May 2013 • UN-Habitat's Policy Statement on Partnerships with NGOs & Civil Society Organizations 2003 • Working With Parliamentarians: Strategy and Action (UN-Habitat Nairobi) 2010

Organization	References to Partnerships in the Organization's Strategic Framework / Medium Term Strategy	Strategies, Policies related to Partners & Implementing Partners
UNHCR	*"Global Strategic Priority (GSP) 8* *UNHCR mobilizes public, political, financial and operational support through effective strategic partnerships, inter- agency coordination, multimedia communication, targeted campaigns and fundraising strategies* *Impact indicator* *Resource mobilization strategies are enhanced to increase funding towards UNHCR's budget Partnerships with Member States of the Executive Committee, United Nations agencies, NGOs and the humanitarian system are strengthened Strategic external communication is strengthened through targeted multimedia campaigns and timely public updates Information on operations is made accessible to external stakeholders in a transparent manner"* **Source: Biennial Programme budget by the Office of the high Commissioner for Refugees, Report by the High Commissioner, 26 August 2013 (A/AC.96/1125), Annex V**	• UNHCR Operational Manual (Chapter IV) • Operations Management Handbook for UNHCR's Partners • Enhancing the UNHCR Framework for Implementation with Partners. Implementing Partnership Management Guidance Note. Joint Monitoring and Partner Feedback draft, Version dated: 04 June 2013 • Enhancing the UNHCR Framework for Implementation with Partners • Implementing Partnership Management Guidance Note • Selection and Retention of Partner for Undertaking Project Agreement PROVISIONAL VERSION FOR PILOTING IN SELECTED COUNTRIES, 2013 • Improving selection and risk management of UNHCR implementing partners, DFAM / DER – IP Pre-selection checklist- 14 January 2009 1, Implementing partner (IP) pre-selection checklist: Risk Management and Risk Treatment Options • Audit Certification of Implementing Partner Projects funded by UNHCR – New Reporting Requirement,(IOM 109/202 ; FOM110/2012) • Implementing Partner Audit Certification Roles, Responsibilities and Accountabilities (IOM/FOM 055/2010) • Establishing and Maintaining Partnership. Work step 1: Selection and Retention for Project Implementation draft, Version dated: 26 June 2012 • Establishing and Maintaining Partnership. Work step 2: a) Establishing Project Agreement/ b) Termination of Project Agreement draft, Version dated: 26 June 2012 • Standard Operating Procedure UNHCR-NGO Partner Cooperation On Investigations: Referral Of Cases Of Possible Misconduct / Sharing Of Sensitive Materials And Case Information Februar 2013 • Implementing Partnership Management Guidance Note No. 1: Selection and Retention of Partners for Project Partnership Agreements July 2013

Organization	References to Partnerships in the Organization's Strategic Framework / Medium Term Strategy	Strategies, Policies related to Partners & Implementing Partners
UNICEF	*"16. The UNICEF Strategic Plan will also leverage a growing diversity of partnerships with government, civil society, the private sector and others. These include public-private partnerships, South-South and triangular cooperation, and engagement with non-governmental organizations (NGOs). Important new partnership opportunities are emerging, including new models of South-North learning, in which countries adopt, adapt and help to refine effective innovations from the South. This will include a stronger engagement with the private sector in development in terms of corporate social responsibility and innovations. An equally important opportunity is the increasingly direct engagement with children, families, communities and social movements, facilitated by social media.* *(...)* *40. Partnerships. Being able to partner effectively and efficiently to enhance results for children, based on the UNICEF comparative advantage and shared commitments to common principles and results, has never been more important. Strategic partnerships with members of the United Nations family and international financial institutions will continue to play a central role in advancing results for children with equity. Catalysing and supporting social movements that call for fulfilment of child rights will become increasingly critical, as will the integration of child rights into other agendas. UNICEF will continue its long-standing practice of building capacity through partnerships with national and local governments, civil society, academic institutions and the private sector, reducing the dependence of governments and other actors on development assistance over time."* **Source: The UNICEF Strategic Plan, 2014-2017, Realizing the rights of every child, especially the most disadvantaged 11 July 2013 (E/ICEF/2013/21), paragraphs 16 and 40**	• UNICEF strategic framework for partnerships and collaborative relationships (E/ICEF/2009/10) • Civil society guide to working with UNICEF 2012 • Guidelines UNICEF Programme Cooperation Agreements and Small Scale Funding Agreements with Civil Society Organizations December 2009 (CF/EXD/2009-011) • UNICEF Tanzania Country Office, Standard Operating procedures, Preparation of Programme Cooperation Agreements and Small Scale Funding Agreements with Civil Society Organizations • Programme Policy and Procedure electronic Manual Section 4.6: Strategic Partnerships and Collaborative Relationships • FRAMEWORK for Cash Transfers to Implementing Partners (UNDG 2005) • UNICEF Financial and Administrative Policy 5: Cash Disbursements Supplement 3 – Cash Transfers (HACT) January 1, 2012 • Programme Instruction on National Execution (CF/PD/PRO/2000-06) • UNICEF Approach to South-South Cooperation — Programme Guidance Note, UNICEF, New York, February 2011 • Guidelines on external staff in emergencies, Standby Arrangements, 2006 • Guidelines on Formalizing Relationships with Civil Society Organizations at the Country Office Level (in draft)
UNODC	*"[Expected accomplishments] 1.11. Enhancing the capacity of Member States, upon request, to design and implement sustainable alternative development programmes, including, where appropriate, preventive alternative development programmes, aimed at preventing, reducing and eliminating the illicit cultivation of opium poppy, coca bush and cannabis, through increased partnerships between the United Nations Office on Drugs and Crime (UNODC), international organizations and relevant civil society entities and the private sector".* *(...)*	• UNODC Framework on the Engagement of External Parties (FEEP) is currently being developed, including detailed guidelines and procedures, with the aim of having them fully implemented in the 2014-2015 biennium

Organization	References to Partnerships in the Organization's Strategic Framework / Medium Term Strategy	Strategies, Policies related to Partners & Implementing Partners
	VII. Subprogramme 7. Policy support *(...) 7.4. Strengthened and increased partnerships between UNODC and relevant civil society entities that advance Member States' capacity to apply and raise awareness of United Nations standards and norms in crime prevention and criminal justice and their application.* *7.5. Increased partnerships with relevant civil society entities that advance Member States' capacity to implement relevant international conventions and standards and norms under UNODC mandates, including through their effective participation in United Nations meetings"* **Source: Strategy for the period 2012–2015 for the United Nations Office on Drugs and Crime (E/CN.7/2011/9/Add.2–E/CN.15/2011/9/Add.2), as adopted by ECOSOC resolution E/RES/2012/12, paragraphs 1.11 and 7.4-7.5**	
UNOPS	*"Three contribution goals guide and provide focus for what UNOPS contributes to partners' results and their achievement of development outcomes, and how it does so"* **Source: UNOPS Strategic Plan, 2014-2017 (DP/OPS/2013/3), para. 22** *"A.3. Partner delivery and new and extended partner agreements"* **Source: Annex VI. Indicative key performance indicator SP 2014-2017. UNOPS Strategic Plan 2014-2017 (DP/OPS/2013/3-annexes), p. 37**	• ORGANIZATIONAL DIRECTIVE No. 2 (rev. 1). UNOPS Accountability Framework and Oversight Policies 2011 • ORGANIZATIONAL DIRECTIVE No. 31. Quality Management Policy: Continually improving operational excellence for results that matter 2010 • United Nations Office for Project Services Accountability Framework And Oversight Policies (DP/2008/55) • The Business Strategy: Providing World-Class Management Services at the United Nations 2006
UN Women	*"32. At the internal institutional level, UN-Women support will require strengthening. The management results framework (MRF) elaborates on the following four priorities:* *(1) to drive more effective and efficient United Nations system coordination and strategic partnerships as well as to play a knowledge hub role on gender equality and women's empowerment;* *(...)* *33. (...) (2) strengthening and mobilizing partnerships with community leaders, faith-based organizations, religious leaders, men and boys to tackle entrenched gender stereotypes. Equally important to this task is ensuring that conventional and social media and communications partners strategically support shaping attitudes and behaviours to reverse gender inequality;* *(...)* *57. MRF Output 1.2. Effective strategic partnerships between UN-Women and CSOs, particularly women's organizations and coalitions, will continue to be critical and effective partners. UN-Women will work*	• Programme and Operations Manual

Organization	References to Partnerships in the Organization's Strategic Framework / Medium Term Strategy	Strategies, Policies related to Partners & Implementing Partners
	to ensure more systematic consultations with civil society at all levels, including establishing a civil society advisory group at the global level and, where required, at national and regional levels. In coordination with United Nations partners, UN-Women will develop joint advocacy initiatives with women's organizations and civil society partners, including women's rights networks, religious and traditional leaders, men and boys, youth groups, grass-roots and non-governmental organizations. Through the United Nations Trust Fund to End Violence against Women, and the Fund for Gender Equality, UN-Women and the United Nations system will continue to provide grants directly to CSOs to support advocacy and combat violence, economic disparities and advancement of women's leadership in public life." **Source: UN-Women Strategic Plan, 2011-2013, 16 May 2011 (UNW/2011/9), paragraphs 32, 33 and 57**	
WFP	*"WFP's core strengths* *Partnerships. WFP's operational and knowledge partnerships with other United Nations agencies, international organizations, non-governmental organizations (NGOs), civil society and the private sector, including through the logistics, food security, emergency telecommunications and other clusters, bring complementary skills and capacities necessary to ensure access to nutritious food while contributing to durable solutions in diverse contexts.* *(.)* *2. (.) DRIVERS OF CHANGE* *Challenges and opportunities in an operating environment that is: (.)* *iv) Collaborative. No single organization can address today's complex food and nutrition security challenges. Partnership is more important than ever. WFP works closely with host governments and a wide range of other actors, including international organizations, NGOs, civil society and private-sector businesses. Along with other United Nations agencies, WFP is contributing to operational coherence through the cluster system, Delivering as One, the Transformative Agenda of the Inter-Agency Standing Committee (IASC) and the move from United Nations Development Assistance Frameworks (UNDAFs) to United Nations Development Assistance Plans (UNDAPs). These and other mechanisms for collective action provide opportunities to further align with national priorities and improve overall effectiveness and efficiency. The challenge now is to better define the role and value added of actors within the wider field, strategically select partnerships, strengthen mutual accountability and ensure collaboration delivers results.* *(.)* *28. WFP will strengthen operational partnerships with national and regional disaster management organizations and share expertise in early warning systems, contingency planning and VAM. It will work with others to strengthen national, local and regional capacity to predict, assess and respond to shocks that can cause or aggravate food insecurity."* *(.)*	• Currently developing a corporate partnership strategy • Two internal manuals in the "Programme Guidance Manual": "Working with NGOs" and "NGO Partnership Framework" • How to work with WFP: A Handbook for Non-Governmental Organizations December 2005 • WFP Working with NGOs: A Framework for Partnerships April 2001 • Emergency Food Security Assessment Handbook 2009

Organization	References to Partnerships in the Organization's Strategic Framework / Medium Term Strategy	Strategies, Policies related to Partners & Implementing Partners
	55. (...) Partnerships. WFP provides effective leadership of the logistics and emergency telecommunications clusters and co-leads the food security cluster with FAO, while also participating actively in the nutrition, health, early recovery and other clusters. Based on its mission, mandate, core strengths and capabilities, it works with governments, communities and regional organizations and partners with other United Nations agencies, including the Rome-based agencies (FAO and IFAD), and a range of operational and analytical partners to design and execute coherent programmes that provide access to nutritious food for the poorest and most vulnerable while building resilience, contributing to self-reliance and strengthening capacity. *(...)* *60. WFP will strategically prioritize partnerships with international organizations, NGOs, civil society and the private sector that can deliver complementary knowledge, skills and capacity and have the greatest impact on achieving its Strategic Objectives. It will establish a comprehensive framework and tools to select and facilitate partnerships that can deliver the greatest value. It will work to systematically gather, aggregate, share and, where appropriate, publish key operational data to foster collaboration with partners, provide up-to-date management information and enhance accountability and transparency."* **Source: Strategic Plan 2014-2017, 8 May 2013 (WFP/EB.A/2013/5-A/1), Executive Summary, p. 4 and paragraphs 2, 28, 55 and 60**	
OCHA	*"Goal 2: A more diverse, flexible and adaptable humanitarian sector, including a variety of emerging responder and partner networks.* *"Goal 2 is an evolution of OCHA's efforts to create an enabling environment for humanitarian action through expanded partnerships and adaptation to the changing humanitarian landscape".* *"OCHA's success relies on its partnerships with the key humanitarian responders and collocutors who are at the forefront of providing aid to people, such as the Inter-Agency Standing Committee members. OCHA will continue to use its comparative advantage to form fruitful relationships with an even broader range of actors, including those in the preparedness and development sectors."* ***Source: On working:* OCHA Strategic Plan 2014-2017. Draft-Version 2 (Sept. 2013), *p. 2,5 and 6***	• Policy and Studies Series. Coordination to Save Lives History and Emerging Challenges 2012 • Guidelines Emergency Response Funds (Ref. 2012/7) 2012 • Monitoring and Reporting Framework for Common Humanitarian Funds (CHFs) 2012 • Operational Guidance for Coordinated Assessments in Humanitarian Crises (Inter-Agency Standing Committee) 2012 • Strengthening of the coordination of emergency humanitarian assistance of the United Nations (A/65/82–E/2010/88) 2010 • Policy Instruction. Evaluations 2012

Organization	References to Partnerships in the Organization's Strategic Framework / Medium Term Strategy	Strategies, Policies related to Partners & Implementing Partners
	Specialized Agencies	
FAO	*"Core function: 6. Facilitate partnerships for food security and nutrition, agriculture and rural development between governments, development partners, civil society and the private sector. FAO has a broad mandate that includes major development problems that need to be targeted from a broad and comprehensive perspective. However, FAO will focus its work on the areas in which it has special competence and will establish strong partnerships with other organizations to cover other complementary actions required."* **Source: The Director-General's Medium Term Plan 2014-17 and Programme of Work and Budget 2014-15 (C 2013/3), para. 54 ,(6)**	• FAO Organization-Wide Strategy On Partnerships 2012 • Guiding Principles on Partnerships. Annex to the FAO Organization-wide Strategy on Partnerships 2012 • FAO Strategy for Partnerships with Civil Society Organizations (CL 146/8) 2013 • FAO Strategy for Partnerships with the Private Sector (CL 146/LIM/5) 2013 • FAO Policy Concerning Relations with International Non-Governmental Organizations. Basic texts of FAO 2013 (p. 171) • Enhancement of the Technical Cooperation Programme (TCP) (CL 145/8) 2012 • Country Programming Guidelines. Principles and Policy (PC 108/2) 2011 • Manual. Letter of Agreement- Section 507 2011 • Guidance Note on Piloting Harmonized Approach to Cash Transfers to Implementing Partners (HACT) by FAO 2010 • Directions for collaborations among the Rome-based agencies (CL 137/INF/10) 2009 • TCP Manual. Managing the decentralized Technical Cooperation Programme 2009 • Development of National Execution Guidelines for FAO. Concept Note With Preliminary Views 2008 • FRAMEWORK for Cash Transfers to Implementing Partners (UNDG) 2005 • Technical Guidance for Involving Civil Society Organizations in the Country Programming Framework Process. Civil Society Unit, OCPP

Organization	References to Partnerships in the Organization's Strategic Framework / Medium Term Strategy	Strategies, Policies related to Partners & Implementing Partners
ILO	*"Partnerships and communication* *83. The Social Justice Declaration calls for the promotion of effective partnerships within the UN and multilateral systems to strengthen ILO operational programmes and activities or otherwise promote ILO objectives. This will be pursued through active participation of the Office along with the constituents in the "Delivering as One" UN reform initiatives and the implementation of the 2007 General Assembly resolution on the Triennial Comprehensive Policy Review for 2007–10. The Decent Work Agenda will be mainstreamed through support to the UN system-wide application of the United Nations System Chief Executives Board for Coordination Toolkit for mainstreaming employment and decent work and of the ILO's gender audit tool.* *84. Developing new partnerships with non-state entities and economic actors at the sectoral, national and global levels, including multinational enterprises, will be conducted in consultation with representative national and international organizations of workers and employers. Public–private partnerships, South–South cooperation, partnerships with regional structures and national expertise and networks, all pursued in collaboration with constituents, will further enable constituents to obtain greater access to important decision-making circles."* **Source: Strategic Policy Framework 2010–2015 (GB.304/PFA/2), paragraphs 83-84**	• Implementation Agreements (IGDS Number 270 Version 1) 2012. Procedure is to be read in conjunction with the ILO's Financial Rules, the Office Procedure on Technical Cooperation Budgets (IGDS no. 118), the Office Directive on Technical Cooperation (IGDS no. 156) and the Office Directive on Procurement (IGDS no. 239) • Terms and Conditions Applicable to ILO Implementation Agreements ILO (Version 1.0 (EN) 01.03.2012) • Guidelines For Processing An Implementation Agreement Under The Facilitated Procedure 2012 • Technical cooperation approaches and capacity development of constituents (GB.317/POL/6) 2013 • National Evaluation Systems. Engaging ILO Social Partners 2012 • Technical cooperation (IGDS Number 156 Version 1) 2010 • Implementation of the Harmonized Approach to Cash Transfers (IGDS Number 161 Version 1) 2010 • Public-Private-Partnerships for Decent Work 2009
UNESCO	*"CONSTITUENCIES, PARTNERS AND PARTNERSHIPS* *140. An efficient liaison between the Secretariat and its principal constituency will remain essential for successful work by the Organization. Equally vital will be joint efforts with the United Nations, its specialized agencies, programmes, funds and organs – especially in the current environment of reform affecting the entire United Nations system – and with other international, intergovernmental and non-governmental agencies and organizations.* *141. UNESCO cannot achieve its ambitious objectives alone. It is fortunate to have a vast and unparalleled range of constituencies, partners and networks that are eager to be involved in its work: governmental and non-governmental, public and private partners, which combine their competencies and resources around a single goal owing to the presence and approval of UNESCO. This is a considerable asset which has ensured the success of world summits convened by UNESCO, at which governments and civil society have found the means for conducting constructive dialogue. For some time now, UNESCO has been able to expand its cooperation beyond the network of its traditional intermediaries – what may be called the "UNESCO family": National Commissions, UNESCO Chairs, category 2 centres, clubs and associations, national*	• UNESCO Administrative Manual. Administrative Manual. 7.5 Implementing Partners 2013 • ecoming an NGO, Official Partner of UNESCO. Brochure 2013 • Basic Texts. Directives concerning partnerships with NGOS 2012 • New Directives Concerning UNESCO's Partnership With Non-Governmental Organizations (187 EX/37) 2011 • A Practical Guide to UNESCO's Extrabudgetary Activities 2013 Report By The Director-General on the UNESCO Evaluation Policy and Elaborated Elements of the UNESCO Evaluation Strategy (176 EX/27) 2007

Organization	References to Partnerships in the Organization's Strategic Framework / Medium Term Strategy	Strategies, Policies related to Partners & Implementing Partners
	committees of intergovernmental programmes and specialized networks such as the Associated Schools Project Network. It is now being expanded to new stakeholders and new partners, including the private sector. Such a variety of partners and forms of partnership adds considerably to the Organization's flexibility. For that reason, under the decentralization policies, the Secretariat will endeavour to develop the other components of the "UNESCO family" much more broadly so that "alternative arrangements" to its network of decentralized bureaux and units can be supplemented by the great contributions that these numerous partners can make in practically every country. UNESCO will thus expand its capacities and effectiveness to carry out in-country activities, promote its outreach, impact and visibility at all levels, broaden its support base and mobilize resources, and create synergies among all these communities." **Source: Medium-Term Strategy 2008-2013 (34 C/4), paragraphs 140-141; see also paragraphs 142-145**	
UNIDO	*"B.5 Partnerships for development* *52. Addressing the challenges of poverty eradication, unequal globalization and the transition to a sustainable, low-carbon path to development requires closer cooperation among development partners. For UNIDO, the importance of strategic partnerships is based on the premise that no single United Nations organization, acting on its own, can effectively address the world's major development challenges. By combining its capacities and competencies with those of other United Nations system organizations, UNIDO interventions are more likely to make a greater contribution to improving people's lives.* *53. It is for this reason that UNIDO has forged partnerships and continues to work closely with the Food and Agriculture Organization of the United Nations (FAO) and the International Fund for Agricultural Development (IFAD) on agri-business development; with the United Nations Development Programme (UNDP) on private sector development and field representation; with the United Nations Environment Programme (UNEP) on cleaner production and implementation of multilateral environment agreements; with the United Nations Conference on Trade and Development (UNCTAD), the World Trade Organization (WTO), the International Trade Centre (ITC) and the Executive Secretariat of the Enhanced Integrated Framework (EIF) on trade capacity-building; and with the World Bank on environment and energy.* *54. As part of the United Nations system, UNIDO also participates actively in system-wide initiatives and coordination mechanisms at the global, regional and national levels. Its chief aim is to advance the effectiveness, efficiency, coherence and impact of the United Nations development system at the regional and country levels and the achievement of the MDGs at the international level. It cooperates and collaborates with complementary government institutions, international financial institutions such as the World Bank and the regional development banks, and global and regional cooperation*	• Director-General's Administrative Instruction No. 20/Rev. 1 of UNIDO, dated 5 March 2013 on Guidelines for the Conclusion and Administration of Implementation Arrangements with UNIDO Partner Organizations ("DGAI.20/Rev.1") • General Outline for a Memorandum of Understanding (MOU). Office of Legal Affairs of UNIDO 2008 • Partnership Guide. UNIDO Business Partnerships for Industrial Development 2002

Organization	References to Partnerships in the Organization's Strategic Framework / Medium Term Strategy	Strategies, Policies related to Partners & Implementing Partners
	entities. Where appropriate, UNIDO also seeks synergies with bilateral aid agencies, private enterprises, civil society and academia. *55. Over the medium-term, the continued ability of UNIDO to deliver on its mandate and to make a major contribution to the achievement of the MDGs will hinge not only on how well it works with others but more so on how well it carries out three important tasks, namely increasing programme delivery with the highest standards of quality, enhancing the effectiveness, efficiency, transparency and accountability of its management systems, and mobilizing the resources required to meet the growing needs of its Member States."* **Source: Medium-term Programme Framework 2010-2013 (IDB.35/8/Add.1), paragraphs 52-55**	
WHO	*"Objectives 5.6 Effective Communications issued, partnerships formed and coordination developed with other organizations in the United Nations system, governments, local and international nongovernmental organizations, Academic institutions and professional associations at the country, regional and global levels".* **Source: Medium-Term Strategic Plan 2008–2013 (MTSP/2008–2013), p. 59**	• Contractual Arrangements for Programme Implementation. WHO e-manual 2013 • FIN.SOP.XVI.001, Direct Financial Cooperation Processing AF/AFM, FNM Standard Operating Procedure. Principles Governing Relations Between the World Health Organization and Non-Governmental Organizations, adopted by the 40th WHA (resolution WHA40.25) • Regulations for Study and Scientific Groups, Collaborating Institutions and other Mechanisms of Collaboration approved by the Executive Board at its sixty ninth session (resolution EB69.R21) • Partnerships policy adopted by the 63rd World health Assembly
WMO	*"Strategic Thrust 4: Building and enhancing partnerships and cooperation"* **Source: WMO Strategic Plan 2012-2015 (WMO-No. 1069), p. 17**	• WMO Monitoring and Evaluation System 2012 • Capacity development strategy WMO (EC WG-CD/2013/Doc. 4) 2013 • AGREEMENTS and WORKING ARRANGEMENTS with other international organizations. Basic Documents No. 3. WMO-No. 602002

Annex IV

Common Guiding Principles for Partnerships

10 MOST COMMON PRINCIPLES (in alphabetic order)

1. ACCOUNTABILITY
2. CLARITY
3. EFFECTIVENESS
4. EQUALITY and MUTUAL RESPECT (including gender equality)
5. INDEPENDENCE
6. OWNERSHIP
7. PARTICIPATORY PROCESS/PARTICIPATION/NON-EXCLUSIVITY/ INCLUSIVITY/JOINT DESIGN
8. SUSTAINABILITY
10. TRANSPARENCY

ALL PRINCIPLES — As extracted from relevant IP policies and procedures (in alphabetic order)

Principle	*Most frequently mentioned in following UN agencies and other organizations (not exhaustive)*
ACCOUNTABILITY	UNEP, UNHCR, UNICEF, FAO, WFP, UNFPA, ILO, UNIDO, EU-ECHO
ALIGNMENT	UNICEF
AUTONOMY	FAO
CAPACITY BUILDING	UNDP, UNHCR, UNICEF, UNFPA, UNIDO, IFAD, World Bank
CLARITY	UNDP, UNEP, UNICEF, FAO, UNFPA, UNESCO, ILO, UNIDO, OECD, Global Fund
COMPLEMENTARITY	UNEP, UNHCR, UNICEF
CONSISTENCY	UNFPA
CONSULTATIONS AND INFORMATION SHARING	UNHCR, UNICEF, FAO, WFP, ILO, UNIDO
COST-EFFECTIVENESS/VALUE FOR MONEY	UNICEF, UNIDO, OECD
DIVERSITY	UNFPA
EFFECTIVENESS	UNEP, UNHCR, UNICEF, FAO, UNFPA, ILO, UNIDO, IFAD, EU-ECHO
EFFICIENCY and COHERENCE	UNEP, UNICEF
ENHANCING SOUTH-SOUTH ENGAGEMENT	UNDP, UNFPA, UNIDO

Principle	*Most frequently mentioned in following UN agencies and other organizations (not exhaustive)*
EQUALITY and MUTUAL RESPECT (including gender equality)	UNEP, UNHCR, WFP, UNICEF, UN-Women, FAO, ILO, UNIDO, Global Fund
EQUITY	UNICEF, WFP, UNIDO, IFAD
FAIRNESS	UNESCO, UNIDO, EU-ECHO
FLEXIBILITY	World Bank
HUMANITY	World Bank
IMPARTIALITY	FAO, ILO, UNIDO, World Bank, EU-ECHO
INDEPENDENCE	UNHCR, UNICEF, WFP, UNIDO, World Bank, EU-ECHO
INTEGRITY	UNHCR, UNICEF, UNIDO, OECD
INTELLECTUAL PROPERTY	FAO
MUTUAL RESPECT	UNEP, UNHCR, FAO, WFP, UNFPA, IFAD, EU-ECHO
NEUTRALITY	FAO, World Bank, EU-ECHO
OWNERSHIP	UNDP, UNICEF, WFP, UNFPA, ILO, UNIDO, EU-ECHO, Global Fund
PARTICIPATORY PROCESSES/ PARTICIPATION/NON-EXCLUSIVITY/ INCLUSIVITY/JOINT DESIGN	UNDP, UNHCR, UN-Women, ILO, WFP, IFAD, Global Fund
QUALITY	UNEP, FAO, UNFPA, UNESCO, UNIDO, EU-ECHO, Global Fund
RESPONSIBILITY	UNEP, UNHCR, WFP, UNIDO
RESULTS-ORIENTED/BASED	UNEP, UNICEF, FAO, WFP, UNESCO, UNIDO
SCIENTIFIC CREDIBILITY	FAO
SELECTION CRITERIA	UNEP, UNICEF, UNFPA, UNIDO, OECD
SHARED VISION/MUTUAL INTEREST or MUTUAL BENEFIT	UNDP, FAO, WFP, UNIDO
SUSTAINABILITY	UNDP, UNEP, UNICEF, FAO WFP, ILO, UNIDO
TRANSPARENCY	UNEP, UNHCR, UNICEF, FAO, WFP, UNFPA, IFAD, UNESCO, UN-Women, UNIDO, ECHO, Global Fund
TRUST	UNEP, UNHCR, FAO, WFP, IFAD, EU-ECHO
VALUE-ADDED	UNDP, UNEP, UNICEF, UNIDO, Global Fund
VOLUNTARITY	FAO, EU-ECHO

Annex V

Selection Criteria and Process for Implementing Partners

Organization	Selection Criteria and Pre-Assessments	IP Committee/ Committee including IPs & Selection Process	Dedicated IP Database/ Database containing IP data
	United Nations Funds and Programmes and other entities		
UNDP	SELECTION CRITERIA 1. **National implementation** will be the norm for UNDP programme activities This implementation modality will be appropriate when: • There is a government entity directly concerned with the project's activities and results; • There is a government entity whose intended role is to sustain project results; • The relevant government entity has adequate capacity and is committed to carrying out the project as determined by a capacity assessment (see below). 2. **UN Agency Implementation** will be appropriate when: • A UN agency has technical expertise that is critical to project success; • The relevant substantive national agency is unwilling or unable to undertake project implementation; • A global or regional project has no institutional counterpart at the global or regional level. 3. **Civil Society Organization Implementation** will be appropriate when: • The project substance deals with a subject where an CSO may have experience, expertise and comparative advantage; • The project requires extensive use of participatory methodologies and/or facilitation of dialogue between government and civil society; • Government agencies are unable or unwilling to effectively carry out project activities; • The CSO has adequate capacity and is committed to carrying out the project as determined by a capacity assessment (using the CSO Capacity Assessment Tool). 4. **Inter-Governmental Organization Implementation** will be appropriate when: • The IGO is directly concerned with the project's activities and results; • The IGO is intended to sustain project results; • The IGO has specialized experience and expertise in the substantive area of the project; •The IGO has adequate capacity and is committed to carrying out the project as	COMMITTEE At Head Quarters **HQ Project Appraisal Committee (PAC) members** make recommendations to the UNDP official (in most cases the Resident Representative/ Resident Coordinator) At Field Level **Local Project Appraisal Committee (PAC)** at each Country Office (pre-assessments) SELECTION PROCESS 1. Identification of potential partners; 2. Pre-assessment of each potential partner's capacity for project implementation (using the Implementing Partner checklist); 3. Preliminary decision on selection of partner; 4. Financial and other specific capacity assessment (for partners that receive or are expected to receive over $100,000 per year in total funds from UN agencies. This does not apply to UN agencies and IGOs with signed the Implementing Agreement with UNDP). Other additional assessments, as needed or required, of procurement and recruitment capacities to identify specific problem areas. 5. Completion of components in the project document template that deal with: a. Management arrangements b. Definition of responsible parties in the annual work plan c. Risk mitigation and assurance measures 6. Circulation of draft for comments and subsequent revision as needed 7. Submission of draft for project appraisal and approval	

Organization	Selection Criteria and Pre-Assessments	IP Committee/ Committee including IPs & Selection Process	Dedicated IP Database/ Database containing IP data
	determined by a capacity assessment. An IGO must have signed an implementing partner agreement with UNDP to be eligible to implement a UNDP-funded project. PRE-ASSESSMENTS **IP Capacity Assessment Checklist:** as a screening tool for the preliminary selection of IPs which reviews capacities in four functional areas: 1. Project Management 2. Technical Skills and Resources 3. Financial Management 4. Administrative capacities (procurement and recruitment After the preliminary selection of IP, the country office will carry out **additional assessments** (HACT micro-assessment)		
UNEP	SELECTION CRITERIA **1. National government entity** The entities are "rights driven, public sector oriented, stability and legitimacy" **2. Non-Governmental NGO** The entities are "values driven, responsive, vocal, inclusive and imaginative" **3. Another UN agency** Principles of UN Global compact covering Human Rights, labour, environment and anti-corruption **4. Multilateral/ intergovernmental entity** The entities are "rights driven, public sector oriented, stability and legitimacy" **5. Other category of IPs** (academia etc.) Inventive, productive, highly focused and immediate results PRE-ASSESSMENTS **Due diligence process:** 1. Legal status and governance 2. Financial and administrative capacity 3. Technical capacity 4. Alignment to UN values 5. Already working with UNEP 6. Specific Technical Capacities 7. Strategic Capacity	COMMITTEE At Head Quarters **Partnership Committee**. Its purpose is to ensure that the cases submitted have been subjected to the required due diligence checks, including confirmation that potential partners' activities are aligned with United Nations values, that partners have appropriate capacities to support the implementation of the UNEP PoW activities and that the appropriate types of implementing instruments are used to establish the partnerships. Composed of: - 1 representative of Office for Operations -1 Thematic/Sub-Programme Coordinator -1 Representative from DRC -1 rotating/alternate representative from any other Division with relevant competence but not concerned by the case under review. SELECTION PROCESS For partnerships involving a transfer of more than **US$ 200,000**, the partnership review process involves the Partnership Committee, supported by the concerned Division. For partnerships involving less than or equal to US$200,000, the partnership review process should be carried out at the divisional level with operational responsibility taken by the relevant responsible Officer.	UNEP is in the process of establishing an intranet Partner Portal.

Organization	Selection Criteria and Pre-Assessments	IP Committee/ Committee including IPs & Selection Process	Dedicated IP Database/ Database containing IP data
UNFPA	<u>SELECTION CRITERIA</u> **1. Assessment of the entity's capacity to deliver the outputs:** a. Human resources b. Systems used by the entity for tracking and reporting on its work c. Financial management (review of audited financial statements for the past 3 years of operation) d. Geographical availability /distribution/ in the country e. Reference checking **2. Assessment of the entity's proposed strategy for achieving the outputs**: a. Relevance, applicability and suitability of proposed strategy b. Innovative approach and its expected effectiveness in delivering the outputs c. Realistic time-line that meets UNFPA's needs and proposed plan for each of the outputs d. Proposed cost for carrying out the activities e. The partner's perceived long-term interest and commitment to sustain operations in the subject matter area f. Efficiency of the proposed management arrangements for implementation g. Soundness of the proposed monitoring and evaluation arrangements, indicators, baselines and targets h. Human-rights-based, climate and culturally-sensitive and gender-mainstreamed programming approaches, taking into account the rights of vulnerable groups <u>PRE-ASSESSMENTS</u> **Implementing Partner Capacity Assessment Tool (IPCAT)** – valid for 10 years. It covers 9 dimensions: nine dimensions include: 1) Governance and Leadership 2) Human Resources 3) Programme 4) Monitoring and Evaluation 5) Financial Management 6) Procurement Systems, 7) Comparative Advantage 8) Knowledge Management 9) Partnership The **UNDG HACT Micro Assessment** can replace the financial section of the IPCAT	<u>SELECTION PROCESS</u> There are two options for the selection of partners: 1. <u>Strategic partner</u>: is an organization whose work is closely related to UNFPA's mandate and is in a unique position to influence issues that promote UNFPA's mandate while leveraging political support, skills or resources to achieve results for UNFPA. The partner must be thoroughly assessed following the Implementing Partner Capacity Assessment Tool (IPCAT) and registered in IPIMS before entering into an agreement with UNFPA 2. <u>Invitation for proposals (IFP)</u>: usually NGOs through competitive process. Done by the relevant department as follows: a. The country or regional office or headquarters division prepares and issues the invitation for proposal. b. UNFPA reviews and evaluates all proposals received. Proposals are reviewed in a consultative manner; regional advisory groups may be consulted. The head of unit makes an informed and transparent decision based on the technical qualifications of the IP, cost effectiveness and best fit to efficiently deliver on the output. The chosen partner proposal must meet the following criteria: a. Established expertise in the area relevant to the output(s); b. Proven track record achieving comparable output(s); and c. Adequate institutional capacity to deliver. Prior to final selection, the partner must undergo an IPCAT assessment and/or HACT Micro Assessment	1. Implementing Partner Information Management System (IPIMS). The functionality for performance rankings is available in the system but it is not currently being utilized. IPs can be de-listed from the system by request. The IPIMS includes information on IPs, such as the governance structure of the IP, funds previously allocated to it, and other basic information. 2. National Execution Audit Management System (NEXAMS).

Organization	Selection Criteria and Pre-Assessments	IP Committee/ Committee including IPs & Selection Process	Dedicated IP Database/ Database containing IP data
UN-Habitat	**SELECTION CRITERIA** Basic Criteria (as per Evaluation Criteria For Implementing Entities) **1. Technical capacity** **2. Financial and administrative capacity** Additional Criteria (Each Substantive Office may incorporate additional criteria if a major special characteristic of the work is not taken into account in this list of criteria) **1. Activities the IP has been involved** in over the past years **2. Level of their work** (local, national, regional or Global) **3. IP Focus and objectives** **4. Catalytic ability** **PRE-ASSESSMENTS** **Guidelines on Cooperation Agreements:** all RFPs received on a comparative basis against the Evaluation Criteria For Implementing Entities)	**COMMITTEE** At Head Quarters and Regional Level **Review and Advisory Committee (RAC) on the Selection of Partners for Agreements of Cooperation** (on working). The level of proposal approvals depends on the amount of proposals. a) Proposals up to USD 100,000: The Branch Coordinators /Regional Directors will perform the role and functions of the RAC and sign off on the selection of implementing entities. Prior to sign off, the Branch Coordinator/Regional Director will ensure that the selection of the implementing entity is done in a fair, competitive and transparent manner and in accordance with UN-Habitat's guidelines, criteria, policies and practices. b) Proposals USD100,000 - USD1,000, 000 - *At Regional Level*: Each Regional Director should establish a Regional RAC to review proposals over USD 100, 000 and not exceeding USD 1,000, 000. Any proposal exceeding that threshold will be referred to the Headquarter RAC. - *At Headquarters Level*: The Head of the Office of Management should establish Headquarter RAC to review proposals exceeding USD 100, 000. c) Proposals over USD 1,000, 000 The Headquarter RAC will review all proposals exceeding USD 1,000,000. **SELECTION PROCESS** *Step 1*: The Submitting officer should launch a Request for Proposal (RFP). *Step 2*: The Submitting officer should evaluate and rank all RFPs received on a comparative basis against the predetermined criteria. *Step 3*: The Submitting officer will submit a proposal for the selection of IP to the RAC. *Step 4*: The RAC will review the evaluation conducted by the Submitting Officer and make its recommendation for the selection of an implementing entity to the Signatory. *Step 5*: The Signatory will review the recommendation of RAC and will formally approve the selection of the Implementing entity. *Step 6*: The draft Agreement of Cooperation will	UN Habitat is in the process of establishing an integrated partner database through consolidating the existing ones.

Organization	Selection Criteria and Pre-Assessments	IP Committee/ Committee including IPs & Selection Process	Dedicated IP Database/ Database containing IP data
		go through legal clearance by the UN-Habitat legal officer *Step 7*: The Signatory will sign the Agreement of Cooperation	
UNHCR	**SELECTION CRITERIA** Criteria used to select partners must be aligned with the Project and operational requirements. The Committee is required to establish predefined, relevant and assessable criteria to be included in the Call for Expression of Interest, including but not limited to: **1.** Sector expertise and experience: the required specific skills, sector specialist, knowledge and HR. **2.** Project management: ability to deliver project objectives, accountability mechanisms and sound financial management.. **3.** Local experience, presence and community relations: ongoing programme in the area of operation, local knowledge, engaging refugees and other persons of concern, trust from local communities, etc. **4.** Contribution of resources: evidenced and documented contribution of resources to the project in cash or in-kind by the partner that are presently available to supplement UNHCR resources. **5.** Security considerations: ability to operate in security conditions of the Project site or country as well as existence of partner's organizational policies, procedures and practices related to security risk management. **6.** Cost-effectiveness: level of direct costs and administrative costs imposed on the Project in relation to project deliverables. **7.** Experience working with UNHCR: global and/or local partnerships including knowledge of UNHCR policies, practices and programmes. Partners with 3 consecutive qualified audit opinions for UNHCR-funded projects may not be considered. **8.** Others: specific needs that may be required as part of the Call of Expression of Interest. **RETENTION of PARTNERS** While the selection of partner is for a period of two UNHCR programme cycles, the following is required to be done prior to entering into the second year Project Partnership Agreement: 1. Desk review by the Programme Unit (or other	**COMMITTEE** At Head Quarters **Inter-Agency Unit (IAU):** NGO Liaison Unit at Headquarters. Implementing Partnership Management Service oversees the proper application of the policy and procedures of selection partners globally. HQs may take selection decisions if the project is being implemented by a HQ Division or the project is of a regional/global nature. At Field Level **Multi-functional Implementing Partnership Management Committee** established by the Head of Office. **SELECTION PROCESS** *Step 1*: Establishment of the UNHCR multi-functional Implementing Partnership Management Committee *Step 2*: Call for Expression of Interest that contains project goals and specifications, criteria for selection, deadlines, date of selection decision, and others. Dissemination of the Call for Expression of Interest. *Step 3*: Submission of Concept Note by applicant partners and reception in the UNHCR Office. *Step 4*: Preparation for the Committee Review and Recommendation *Step 5*: Committee Review and Recommendation *Step 6*: Decision by the Head of Office *Step 7*: Communication of decision to applicant partners	UNHCR's has a Partner Database at HQs level. It is in the process of updating it.

Organization	Selection Criteria and Pre-Assessments	IP Committee/ Committee including IPs & Selection Process	Dedicated IP Database/ Database containing IP data
	designated unit) to ensure that the operation requires retention and the partner performance is adequate. 2. If the desk review determines that the partner should not be retained (Annex H), the matter shall be referred to the Committee. Upon recommendation of the Committee, the Head of Office may decide not to retain the partner. Such decision will be communicated in writing to the partner. After two UNHCR programme cycles, the Committee is required to determine whether it is in the best interest of the operation to further retain the selected partner for an additional two programme cycles. The review will take into consideration the following factors: a) Performance of the partner and quality of delivery of desired results; b) Whether a change of partner may negatively impact on resources, continuity and/or effective response to the persons of concern; c) UNHCR's contribution in the capacity development of the partner may be lost or not yield its desired outcome in case of change of partner; d) Contribution of partner (in cash or in-kind); e) Willingness of partner to continue with Project implementation; and f) Availability and interest of alternative partners.		
UNICEF	**SELECTION CRITERIA** 1. Core Values and Integrity 2. Programmatic capacity including results of past interventions 3. Financial Management capacity as per the harmonized approach to cash transfers (a HACT micro-assessment)4. Procurement capacity assessment included as part of the HACT micro-assessment (draft) 5. Logistics assessment (Supply Division, UNICEF)	**COMMITTEE** At Field Level **Programme Cooperation Agreement Review Committee (PCARC):** all Country Offices for NGO/ CSO as IPs, for financial contributions over $10,000. Those under $10,000 reduced administrative requirements (Small-Scale Agreements criteria apply). **SELECTION PROCESS** The PCARC will review and consider, whether the assessment of the CSO has been adequately carried out; whether its selection for this particular collaboration is justified, based on its ability to play its expected role in relation to the objectives; the assessed level of risk; the programmatic justification and design of the PCA; the cost/cost-effectiveness implications; the mutual accountability provisions; the budget	UNICEF has a partner or IP database within the ERP system known as VISION). UNICEF started to collect information on partners in this system as of 1 Jan. 2012. In this system, all IPs are given a unique ID and historical information is recorded including past funding they received and the results to which they made a contribution.. The system does not include performance ratings for IPs.

Organization	Selection Criteria and Pre-Assessments	IP Committee/ Committee including IPs & Selection Process	Dedicated IP Database/ Database containing IP data
		proposal and the proposed PCA document and supporting documents themselves. The Committee may endorse a proposal on a provisional basis, pending completion of the required documentation, which should be addressed within a reasonable time period as stipulated by the Committee. In endorsing a PCA, the PCA Review Committee thereby recommends signature by the Head of Office or his/her delegate.	
UNODC	**SELECTION CRITERIA** **1. National Implementation, when:** • The government entity is directly concerned with project activities and results; • The government entity has the capacity to implement all project activities and can contribute to sustaining project results • The government entity is committed to carrying out the project and has gone through a positive capacity assessment (HACT or else) • UNODC has reason and opportunity to develop the implementation and absorption capacity of the Government entity, for future programmatic work and increased direct international cooperation with other technical cooperation providers; **2. UN Agency or IGO, when** • The UN entity has specialised technical expertise in the substantive area(s) critical to project success; • The relevant substantive national agency (Government) is unwilling or unable to undertake project implementation; • The UN entity has adequate capacity and is committed to implementing the project as determined in the capacity assessment. If entity is intergovernmental organization following additional conditions should be considered: • The entity intends to sustain project results • Based on a capacity assessment, the entity has demonstrated that it has adequate capacity and is committed to carrying out the project. **3. CSO Implementation** • The NGO, CSO, and other not-for-profit entity may have experience, expertise and comparative advantages over all other possible implementation modalities; • The project requires extensive use of	**COMMITTEE** At Head Quarters **UNODC Programme Review Committee** (PRC) for projects> US $10 million. **SELECTION PROCESS** For Vienna based global UNODC programmes and projects, IP selection is taken by the project manager and/or respective Head of Branch and for field based programmes, the UNODC Representative recommends IPs for approval. Following recommendations, the Division for Management provides clearance for the engagement following due diligence and assessments on IP capacities.	The introduction of the Framework on the Engagement of External Parties (FEEP) includes a formalisation of a database to manage IP and other external party engagements.

Organization	Selection Criteria and Pre-Assessments	IP Committee/ Committee including IPs & Selection Process	Dedicated IP Database/ Database containing IP data
	participatory methodologies and/or facilitation of dialogue between the civil society and Government authorities. • Government agencies cannot effectively carry out relevant project activities; • The CSO has adequate capacity and is committed to carrying out the project, as determined by a capacity assessment (using CSO Capacity Assessment Tool). **PRE-ASSESSMENTS** **1. UNDG HACT macro and micro Assessment.** **2. CSO Capacity Assessment Tool:** for CSO *In the process of establishing formal mechanisms and criteria for pre-assessment of potential IPs (Framework on the Engagement of External Parties, FEEP)*		
UNOPS	**SELECTION CRITERIA** **Grant's management policy** establishes the administrative procedures and notes that project agreements (PA) should contain the criteria for grantee selection (specific requirements). The standard method is **UNOPS competitive grantee selection** but has other options. PAs have to contain: 1. Name of the grantee 2. Principle grant activities 3. Estimated budget are specified in the project agreement. **PRE-ASSESSMENTS** Depending on the type of IP. For example, a grantee, there is often a selection process for identifying the best grantee.		
UN Women	**SELECTION CRITERIA** **1. National Implementation, when:** • Government entity directly concerned; • Government entity which intends to sustain project results; • National government requires the use of a government entity. • Government entity has adequate capacity and is committed • Selection of a government entity supports development of capacity of that entity. **2. UN Agency Implementation or IGO, when:** • National agency is unwilling or unable;	**COMMITTEE** At Head Quarters **Project Appraisal Committee (PAC)** At Field Level **Local Project Appraisal Committee (LPAC)** Whether the selection of IPs (or RPs) goes to the HQ PAC or Local PAC is determined by the Delegation of Authority Framework **SELECTION PROCESS** *Step 1:* Selection of the most appropriate category of potential partners.	

Organization	Selection Criteria and Pre-Assessments	IP Committee/ Committee including IPs & Selection Process	Dedicated IP Database/ Database containing IP data
	• A global or regional project has no institutional counterpart at the global or regional level. • The UN agencies are on the list of approved UN agencies for implementation of UN-Women programmes. • UN agency has technical expertise • The UN entity has adequate capacity and is committed If entity is intergovernmental organization • The IGO is directly concerned with the programme's activities and results. • The entity intends to sustain project results • The IGO has specialized experience and expertise in the substantive area of the programme. **3. CSO Implementation, when:** • Project requires extensive use of participatory methodologies/ facilitation of dialogue; • Programme requires the mobilization of women's networks and civil society. • Government agencies are unable or unwilling; •Selection of the NGO supports development of capacity of that NGO. • CSO have experience, expertise and comparative advantage, • The CSO has adequate capacity and is committed to carrying out the project • Based on a capacity assessment, the entity has demonstrated that it has adequate capacity and is committed to carrying out the project. **PRE-ASSESSMENTS** **Comparative screening and Capacity Assessment** (for NGO), using a template or checklist of questions and looking at: 1. Technical capacity/ 2. Governance 3. Management structure/ 4. Financial and administrative management. Three main options: 1. Based on existing updated roster in UN-Women; 2. An independent mapping and comparative analysis of NGOs by third parties 3. A competitive process of soliciting proposals.	*Step 2:* Review and short-list candidate organizations (pre-assessment). *Step 3:* Select the best candidate organization from the short list through a capacity assessment.	

Organization	Selection Criteria and Pre-Assessments	IP Committee/ Committee including IPs & Selection Process	Dedicated IP Database/ Database containing IP data
WFP	**SELECTION CRITERIA** WFP works with Government entities, NGOs and other UN Agencies (particularly FAO and IFAD). No formal criteria and formal guidance for the selection of government entities are available, and the selection of government Cooperating Partners is done on a case by case basis. WFP normally engages NGOs to support especially the final part of the programme delivery (distribution). Basic Criteria (The NGO needs to): **1.** be vetted against the UN 1267 List of individuals and entities belonging to or associated with the Taliban and Al-Qaida organizations; **2.** be accepted by the Government; **3.** have extensive experience in humanitarian and relief operations; **4.** have sound, specific programmes for food distribution and/or on issues related to food assistance, food security, advocacy and development; **5.** have adequate personnel and in-country organizational structures, including staff, field offices, vehicles and access to communications; **6.** have a transparent institutional framework, active grass root participation, information systems and documentation, technical knowledge and geographical presence; **7.** be willing and able to work with communities and community-based organizations. Additional Criteria In terms of Financial and complementary inputs, the NGO should: **1.** be able to cover part or all of non-food items, staffing and equipment; **2.** have staff with basic skills in project and financial management, analytical skills and capacity in areas of commodity tracking, food distribution and beneficiary participation; **3.** be able comply with WFP's monitoring and reporting requirements and have sound, reliable financial and accounting systems. In relationship with other groups, the NGO needs to: **1.** collaborate with Government infrastructure; **2.** coordinate with others in any established coordination mechanism for an operation.	**COMMITTEE** At Field Level WFP's structure is much decentralized, and Selection decisions are done by Country Offices. A Country Director has the authority to sign Field Level Agreements with cooperating partners. The decisions are normally informed by a recommendation from a multi-disciplinary committee (including e.g. finance, logistics and programme colleagues). **SELECTION PROCESS** The partner selected to cooperate in the implementation of the programmes depends on a wide range of local factors, such as programmatic objectives of the WFP operation, availability and expertise of NGOs, presence of International NGOs, logistical constraints, Government presence and capacity, and so forth.	NGO Unit at HQs collects info on IPs in its NGO Database. WFP is in the process of updating their current management systems to better track information on partners and IPs.

Organization	Selection Criteria and Pre-Assessments	IP Committee/ Committee including IPs & Selection Process	Dedicated IP Database/ Database containing IP data
	PRE-ASSESSMENTS Different Country Offices have different methods and systems in place.		
OCHA	**SELECTION CRITERIA** Once implementing partners have completed the capacity assessment and are considered eligible to apply for ERF or CHF funding, their proposals must comply with the following: **ERF Capacity assessment***: **1.** Proven ability to implement proposed activities. **2.** Appropriate accreditation and registration with the Government. **3.** Comparative advantage over other potential implementers. **4.** A verifiable office address. **5.** A valid US$ bank account in the organization's name. **6.** An ability to keep financial records in accordance with international accounting standards, with the accounts being audited at least once a year and published in an annual report [Global ERFs Guidelines p. 6] **Currently in the process of developing a more ambitious system for partner capacity assessments (on-going and expected to be finalized at the end of the 1st quarter of 2014.)* **CHF Capacity assessment**: CHF implementing partners should have: A. Financial Management and Systems that: **1.** Accurately and promptly record all transactions, disbursements and balances, including those related to the CHF **2.** Maintains an adequate internal control system **3.** Sufficient separation of duties **4.** Enable the prompt preparation of regular and reliable financial statements and reports **5.** Safeguard financial and physical assets of the CHF, and **6.** Are subject to and comply with acceptable auditing arrangements. B. Program Management Capacity including: **1.** Legal capacity, status and authority to enter into a grant agreement with the CHF; **2.** Effective organizational leadership, management, transparent decision making and accountability systems; **3.** Adequate infrastructure and information systems to support grant implementation,	All MoUs with UN agencies and grant agreements with NGOs relating to ERFs are cleared by the Chief of Finance in OCHA's Administrative Service Branch (ASB), which is the only one with such authority. At Field Level ERF Review Board: a technical body to assess and recommend proposals submitted by NGOs and UN Agencies for funding from the ERF, comprised of representatives and alternates from NGOs, UN Agencies/ International Organization for Migration (IOM) and cluster leads. ERF Advisory Board: a high-level governance body which steers the strategy and oversees the performance of the ERF. The AB supports the Humanitarian Coordinator with policy decisions and gives guidance to the OCHA Head of Office to ensure that the Fund is effectively managed and able to meet its objectives. The Advisory Board is comprised of donors (contributing and non-contributing), UN agencies, and national and international NGOs. At Field Level CHF Technical Review Committee: tasked with reviewing full project proposals, assessing projects from a technical perspective with the objective of screening out substandard proposals and improving the ability of projects to reach objectives and deliver targeted outputs. Local NGOs, international NGOs and UN agencies are to be represented equitably in the technical Review Committee. CHF Advisory Board (AB): advises the Humanitarian Coordinator on issues of strategic	Databases / SharePoint Tracking systems on country-level for processing of proposals. Development of a global Grants Management System on-going, to be rolled-out from February 2014 onwards. The GMS will provide a standard platform for the management of all ERF and CHF funds. OCHAs implementing partners shall be able to submit projects proposals and reports. It will coordinate project review, capture results of evaluation, track timeliness and enforce accountability for each fund

Organization	Selection Criteria and Pre-Assessments	IP Committee/ Committee including IPs & Selection Process	Dedicated IP Database/ Database containing IP data
	including the monitoring of performance of sub-recipients and outsourced entities (such as procurement agents) in a timely and accountable manner; and **4.** Adequate technical expertise and cross-functional expertise (finance, procurement, legal, M&E) to implement the programmatic activities. C. Monitoring and Evaluation Systems that: **1.** Collect and record programmatic data with appropriate quality control measures; **2.** Support the preparation of regular and reliable programmatic reports; and **3.** Make data available for the purpose of evaluations and other studies.	interest and ensures the overall accountability of the fund. The AB will serve a pure advisory function with final decision-making authority resting entirely with the HC. The exact composition of the Advisory Board will be determined based on consultations between the HC, the Humanitarian Country Team, contributing donors and NGOs.	
	Specialized Agencies		
FAO	**SELECTION CRITERIA** **If IPs engaged through Letter of Agreements**: **1.** Type of entity including eligibility; **2.** Technical and operational and expertise on matters related with agriculture, natural resources and food security capacity including qualifications, previous experience and performance **3.** Financial management capacity; location; **4.** On-going operations/ commitments/ LoAs; **5.** Proven experience with FAO and/or with other UN organizations; **6.** Availability; **7.** Proposal or offer (if relevant). **PRE-ASSESSMENTS** **1. UNDG HACT macro and micro Assessment.** **2. Call for interest** (pre-qualification). Responsible Officer for the project/programme, with assistance from the Quality Assurance officer or Unit , will establish mandatory requirements and appropriate evaluation criteria.	**COMMITTEE** At Head Quarters **Partnership Committee** for the review of financial and other agreements which examines partnerships with non-governmental and inter-governmental organizations **Letter of Agreements Committee** which reviews certain LoAs > USD 200,000 prior to signature by the relevant Authorized Official. **SELECTION PROCESS** **A. Determination of Selection Process** 1. Direct selection IF (among others): - LoA < USD 25,000 - Entity is eligible located in the beneficiary country - the entity is the only known eligible - the eligible entity is the owner or holder of intellectual property fundamental to the services to be provided. 2. Competitive selection (if none of the justification for Direct selection) **B. Selection Process through competitive selection:** 1. Publication of call for interest. 2. Potential Service Providers will be invited to submit a financial offer or a proposal. 3. Responsible Officer will evaluate and the selection decision will be based on the information contained in the offers received, using the pre-established evaluation criteria and methodology	FAO's Office of Communications, Partnership and Advocacy (OCP) is currently in the process of setting up a partner database.

Organization	Selection Criteria and Pre-Assessments	IP Committee/ Committee including IPs & Selection Process	Dedicated IP Database/ Database containing IP data
ILO	**SELECTION CRITERIA** **1. For the Facilitated Procedure:** 1.1 The implementing agent falls within the categories of such agents (non-profit-making entity, an international organization, a constituent of the ILO and/or an affiliated member) 1.2 The implementation agreement is primarily for the delivery of services to ILO programme or project beneficiaries 1.3 The proposed activities to be undertaken have been specified in the implementation agreement summary outline; 1.4 The technical justification for the selection of the implementing agent has been established; 1.5 The financial justification for the selection of the implementing agent has been established as per general procurement principles; 1.6 An assessment of the implementing agent's capacity to meet ILO financial control and reporting requirements has been carried out; 1.7 The implementing agent has never failed to meet its obligations or been involved in any disputes, fraud or attempted fraud involving the ILO in the past. The implementing agent has certified that it is not the subject of any form of sanction imposed by an organization or body within the UN, including the World Bank; 1.8 The implementing agent is not identified on, or associated with any individual, groups, undertakings and entities identified on the list established pursuant to the United Nations Security Council Resolution No. 1267 (Consolidated List) and none of the funds received under the implementation agreement will be used to provide support to individuals or entities associated with terrorism. **2. For competitive selection:** IP is selected on the basis of its contribution to the delivery of the project/programme. **PRE-ASSESSMENTS** **Facilitated procedure** set up in the Office Procedure on Implementation Agreements serve as a pre-assessment mechanism.	**SELECTION PROCESS** 1. Effective competition: Pursuant to Financial Rules, on the basis of comparative pricing and effective competition. 2. The facilitated procedure: The approving officials are authorized to sign implementation agreements meeting the requirements above up to a value of US$300,000. For the implementation of technical cooperation activities of short duration and of a value below US$30,000, approving officials can sign service contracts instead of implementation agreements. 3. Waiver of competitive bidding: If the conditions established for the Facilitated procedure are not met, but the circumstances surrounding the proposed implementation agreement fall within one or more of the exceptions under Financial Rules (Office Directive, Procurement, IGDS No. 239 (version 1) of 23 August 2011).	

Organization	Selection Criteria and Pre-Assessments	IP Committee/ Committee including IPs & Selection Process	Dedicated IP Database/ Database containing IP data
UNESCO	**SELECTION CRITERIA** General Criteria **1. Ability to make an effective contribution** to the achievement of UNESCO's objectives, in conformity with the principles proclaimed in UNESCO's Constitution; **2.** That their purposes, function and operation are **non-profit-making** in character; **3.** That they possess **adequate facilities** and technical/administrative capacities to implement the programme or project; **4. They have been fully involved in the conception of the activity** to be implemented in partnership with UNESCO; **5.** That the estimated implementation **cost breakdown** as submitted and analysed **is fair** when compared to prevailing market trends and reasonable to UNESCO, whilst providing best value for money. Specific additional criteria for NGOs 1. NGO shall be effectively engaged in activities in a spirit of cooperation, tolerance and solidarity in the interests of humankind and with respect for cultural identities; 2. NGO shall have a recognized legal status; 3. NGO shall have an established headquarters and be governed by democratically adopted statutes [...]; 4. NGO shall have been in existence and have been carrying out activities for at least 2 years at the time of its requesting the establishment of a partnership. **PRE-ASSESSMENTS** **Form AM 7-9** - Selection Form of an Implementation Partner	**COMMITTEE** At Head Quarters No specific IP committee. HOWEVER **Special Section for Non-Governmental Organizations**/ Sector for External Relations and Public Information **SELECTION PROCESS** **1.** An implementation partner should be selected after careful comparison with other potential implementation partners on the basis of its specific technical expertise, professional skills, adequate staff resources and reasonably sound financial status and geographic coverage. The selected implementation partner must have the operational capacity to manage and achieve results on behalf of UNESCO. **2.** An implementation partner is designated where one specific, governmental and intergovernmental entities, NGO, foundation, or professional association is clearly the most suitable as compared to others, or is the only one that has expressed interest in implementing the project or programme and has the capacity to do so. **3.** The selection shall be done following an effective **comparative process** on the basis of the above principles and after careful examination of financial management practices of the potential partner to ensure the success of the programme/project (Form AM 7-9- Selection Form of an Implementation Partner). **4. Selection based on comparison** of various potential implementation partners is aimed at ensuring the identification of the most appropriate implementation partner capable of implementing the programme or project in conformity with UNESCO's mandate and objectives. The comparative process must be recorded in writing by the concerned sector, bureau or field office.	At HQ Level, UNESCO maintains a database and a directory of NGOs in official partnership with UNESCO and Foundations maintaining official relations with UNESCO At Field Level no separate database (roster) exists for IPs, those are treated like any other vendor, as per guidelines of Administrative Manual AM7.8 (attached) for registration, appraisal and evaluation.

Organization	Selection Criteria and Pre-Assessments	IP Committee/ Committee including IPs & Selection Process	Dedicated IP Database/ Database containing IP data
UNIDO	SELECTION CRITERIA UNIDO pool of Partner Organizations – Identification, Evaluation and Selection of Partner Organizations for UNIDO pool: A pool of Partner Organizations shall be established by UNIDO based on the following minimum eligibility criteria: 1. Be registered/recognized as a separate legal entity; 2. Have a non-commercial, not-for-profit status; 3. Contribute to sustainable industrial development; 4. Have a proven track record in terms of contributing to programme country ownership, and improving efficiency and accountability; 5. Have a certified internationally-recognized quality standards as appropriate for the requirement; 6. Demonstrate sufficient experience and operational capacity in the relevant field, including experience in enhancing environmental and social safeguards policies, as well as gender mainstreaming; 7. Demonstrate that adequate systems are in place to ensure institutional efficiency as well as to mitigate risk; 8. Possess sufficient technical, research and/or scientific capacities and abilities to provide services to augment the efficient and effective delivery of UNIDO projects. As part of the evaluation of the Expression of Interest (EoI) submitted by applicant PO, a due diligence process will also be carried out to confirm that: 1. There is no indication that the mandate and operations of the potential Partner Organization are in conflict with the UNIDO's programme/ project objectives; 2. The institutional setup and structure, governance, key personnel, qualifications and capacities, and financial strength are adequate to perform the substantive tasks necessary to augment the efficient and effective delivery of UNIDO projects in conformity with UNIDO's requirements and standards; 3. It has sufficient experience in similar activities with other international organizations; 4. Its governance structure and administrative procedures are in line with relevant fiduciary standards and requirements established by UNIDO;	Approval of partner organizations for inclusion in the UNIDO pool: The approval authority shall be exercised by the Executive Board based on submissions by the respective Divisions. For this purpose, Office of the Director General shall establish an Inter-Divisional Review Panel (IDRP) to review and recommend for approval, by the Executive Board, the potential Partner Organization(s) for inclusion in the UNIDO pool.	

Organization	Selection Criteria and Pre-Assessments	IP Committee/ Committee including IPs & Selection Process	Dedicated IP Database/ Database containing IP data
	5. It has adequate risk management procedures and controls in place; and 6. It satisfies other criteria and requirements, as applicable. Selection of Partner Organizations from UNIDO Pool for conclusion of Implementation Agreement (IA): 1. A Project Manager/ Allotment Holder may select, for the implementation of a UNIDO project, the most qualified Partner Organization from the pool of approved Partner Organizations. The selection process shall consider UNIDO project requirements and individual donor requirements, as well as conditions set by the beneficiary country/ies. 2.. Prior to concluding an IA with a Partner Organization, the recommended Partner Organization(s) shall submit to the Procurement Services Unit, proposal(s) based on Terms of Reference describing project-specific requirement(s) as defined in the relevant project document. 3. In the case where more than one qualified Partner Organization is considered suitable, the Project Manager/ Allotment Holder shall select the most qualified Partner Organization (from the UNIDO pool) in line with best value for money principles based on the following criteria: • Technical superiority including technical expertise and operational capacity; • Cost-effectiveness; • Availability. 4. A Partner Organization under consideration for implementation of a project or component(s) thereof is obliged to complete the Statement of Confirmation. No IA shall be signed unless and until the following conditions have been met: 1. The relevant authority of the beneficiary country has endorsed the engagement of the Partner Organization recommended by UNIDO; 2. The funds for the relevant inputs/activities have been deposited into UNIDO's account and all conditions set by the donor have been met; 3. A MoC has been concluded with the selected Partner Organization; 4. The engagement of a Partner Organization does not conflict with the modality approved for programme/project implementation and/or		

Organization	Selection Criteria and Pre-Assessments	IP Committee/ Committee including IPs & Selection Process	Dedicated IP Database/ Database containing IP data
	UNIDO's obligations under the funding agreement with the donor; and 5. The proposal submitted by the Partner Organization has been accepted by the relevant Division in line with the established criteria **PRE-ASSESSMENTS** Consideration for engaging a Partner Organization: 1. Prior to establishing collaboration with a Partner Organization (PO), the relevant Project Manager and Allotment Holder must ensure that such collaboration is the most appropriate modality and assures value addition in the implementation of the particular programme/ project. 2. The involvement of a PO may be considered appropriate where the specific collaboration would contribute to programme country ownership, and improve efficiency and accountability, as well as further enhance environmental and social safeguards, including gender mainstreaming.		
WHO	**SELECTION CRITERIA** For WHO Collaborating Centres: 1. the **scientific and technical standing** of the institution concerned at the national and international levels; 2. the **place the institution occupies** in the country's health, scientific or educational structures; 3. the **quality of its scientific and technical leadership**, and the number and qualifications of its staff; 4. **the institution's prospective stability** in terms of personnel, activity and funding; 5. **the working relationship** which the institution has developed **with other institutions** in the country, as well as at the inter-country, regional and global levels; 6. **the institution's ability, capacity and readiness to contribute**, individually and within networks, **to WHO programme activities**, 7. the **technical and geographical relevance** of the institution and its activities to WHO's programme priorities; 8. the **successful completion** by the institution **of at least two years of collaboration with WHO** in carrying out jointly planned activities.	**COMMITTEE** At Head Quarters No specific IP committee. HOWEVER, there are two committees related to IPs: (1) **WHO Research Ethics Review Committee,** for all research funded by WHO and involving human participants (2) **Contract Review Committee**	Databases for WHO Collaborating Centres (CC) and NGOs in official relationship with WHO

Organization	Selection Criteria and Pre-Assessments	IP Committee/ Committee including IPs & Selection Process	Dedicated IP Database/ Database containing IP data
	PRE-ASSESSMENTS **1.** If IP is doing part of a humanitarian appeal, the criteria are that they have been **part of the CAP or Flash Appeal for the health sector coordinated by WHO** and that they are **suitable** to implement the corresponding piece of work. **2. If it is part of the competitive bidding** the IP will be subject to the adjudication of the **contract through a contract review committee.**		
WMO	**SELECTION CRITERIA** 1. WMO priority areas; 2. Common areas of interest; 3. Donor requirements; 4. Existing joint initiatives (projects and programmes).	No specific IP committee. However a **project coordination system** is in place at WMO which also helps to give oversight to these activities.	

Annex VI

Types of Implementing Partner Agreements

Organization	Types of agreements	Emergency and/or fast track procedures/agreements	Differentiation btw. large and small scale agreements
	United Nations Funds and Programmes and other entities		
UNDP[1]	**1. Standard Basic Assistance Agreement (SBAA)**: The legal agreement between the (programme country) Government and UNDP outlining general conditions for UNDP cooperation under which all UNDP programme activities are carried out. Where there is no SBAA (i.e. when the Special Fund or Technical Assistance Agreements are still in use), a standard annex (called 'Supplemental Provisions') to the project document is used. **2. Annual Work Plan/Project Document**. From a legal perspective, the term "project document" as defined in the SBAA refers to the combination of the Annual Work Plan (see project document template for CPAP countries), and CPAP6. The annual work plan is a legal agreement between UNDP and the implementing partner to implement activities under a specific annual work plan within a calendar year, as identified in the CPAP signed between the Government and UNDP. The signed project document is a legally binding document. **3. Implementing partner agreement with UNDP based on the Model Standard Basic Executing Entity Agreement (SBEAA)** is signed for non UN system entities and intergovernmental organizations **4. Project Cooperation Agreement (PCA):** basic legal agreement between UNDP and a NGO or CSO. **5. UN AGENCY TO UN AGENCY CONTRIBUTION AGREEMENT**, UNDG April 2012	Simplified NGO execution procedures in crisis and post-conflict situations, addressing the selection of CSOs, government clearance, project award, and financial advances and reporting	

[1] a. '**Execution**' is the overall ownership and responsibility for UNDP programme results at the country level which is exercised by the government, through the Government Coordinating Agency by approving and signing the Country Programme Action Plan (CPAP) with UNDP. Therefore, all activities falling within the CPAP are nationally executed.

b. '**Implementation**' is the management and delivery of programme activities to achieve specified results, specifically the mobilization of UNDP programme inputs and their use in producing outputs that will contribute to development outcomes, as set forth in the Annual Work Plans (AWPs).

Organization	Types of agreements	Emergency and/or fast track procedures/agreements	Differentiation btw. large and small scale agreements
UNEP	**1. Letter of Agreement (LOA), Part B or the UNDG-approved template for UN agency to UN Agency Contribution Agreement:** Agreement with organizations; used with a project document where financial resources are to be transferred between the parties. **2. Project Cooperation Agreement (PCA):** Agreement with Not-for-Profit, Non-UN implementing partners including, Governments and their subsidiary bodies, Local Authorities, IGOs, NGOs, CBOs. To be used when UNEP assigns implementation of a set of activities to a partner within a mutually agreed project/programme, and transfers more than or equal to US $200,000 (or its equivalent), for this purpose. A PAG/PRC approved project document or implementation plan (activities against timeframe) must be attached to the PCA, and reflect the detailed activities, outputs and results to be achieved through the partnership. **3. Small-Scale Funding Agreement (SSFA):** Agreement with Not-for-Profit, Non-UN implementing partners including Governments and their subsidiary bodies, Local Authorities, IGOs, NGOs, and CBOs. A simplified version of the PCA, SSFAs are to be used when UNEP assigns implementation of PAG/PRC approved project activities to a partner within a mutually agreed project/programme, and transfers less than US $200,000 for this purpose. The SSFA must indicate to which subprogramme expected accomplishment/PoW output it is contributing. Divisions must ensure that when the cumulative amount of SSFA with the same partner during a given biennia or for the same project exceeds $200,000, a PCA should be concluded instead.		PCA (>200 000USD) SSFA (<200 000 USD)
UNFPA	**1. Letter of Understanding (LOU):** IP agreement with government or a non-government organization in accordance with Financial Rule 109.3. The LoU is the legal agreement between the implementing partner and UNFPA. It governs programme implementation and assistance provided. The LoU contains the conditions of the partnership against which monitoring and audit are performed. These conditions pertain to funding, accounting, reporting, monitoring and assurance. Every implementing partner must sign a LoU prior to the start of activities agreed upon in the AWP (see below). The LoU is valid for the duration of the country or global and regional programme. For the GRP, an NGO will only		

Organization	Types of agreements	Emergency and/or fast track procedures/agreements	Differentiation btw. large and small scale agreements
	need to sign one LoU with UNFPA, regardless of whether the partner is working with multiple UNFPA headquarter divisions or regional offices. The terms contained in the standard form of LOU are tailored to accommodate the specific requirements and status of either programme country governments or non-government organizations, acting either under country programmes or the global and regional programme. There are two separate LoU templates – one for partnerships at the country level and one at the global and regional level. The LoU has also been tailored to be used in those cases where there is a social marketing element to the partnership. **2. Annual Work Plan (AWP):** The AWP is the agreement between the implementing partner and UNFPA on the activities to be undertaken and the results to be achieved. It includes the necessary budgets, quarterly timelines, indicators and targets. The AWP contributes to programme output(s) agreed by government and UNFPA in the CPAP to achieve national development results. There should only be one AWP per implementing partner for each unit (defined as UNFPA country office, regional office or headquarters division). An AWP can cover a multi-year period. However, financial budgeting process remains on an annual basis and is subject to the availability of cash. All conditions established in the LoU apply. **3. Standard UNDG Inter-Agency Agreement (exchange of letters + MOU):** Cooperation with UN entities.		
UN-Habitat	**1. Agreements of Cooperation (AoC), Full Scale**: Agreements of Cooperation is the standard legal instrument with all IPs regardless of their nature. Standard templates exist. Agreements are categorized as Small Scale and Full Scale. A Small Scale Agreement is for amounts up to US$25,000 while a Full Scale Agreement is from amounts above US$25,000. The templates for the two are different with the Full Scale being more detailed and setting out an elaborate monitoring mechanism. However, the Annexes to the Agreements are similar. **2. Agreements of Cooperation (AoC), Small-Scale:** used if the provision of funds involves 25,000$ or less		**AoC, Small Scale:** (up to US$25,000) AoC Full Scale (Above US$25,000)

Organization	Types of agreements	Emergency and/or fast track procedures/agreements	Differentiation btw. large and small scale agreements
UNHCR	**Project Agreements** are standard legal and administrative instruments that form the basis for transferring UNHCR resources to partners that participates in UNHCR programming and project implementation. The standard formats are: **1. Exchange of Letters:** (UNHCR and another United Nations Organizations); **2. Standard Project Agreement:** Bipartite - UNHCR and Non-governmental Agency or Government; **3. Tripartite Project Agreement:** UNHCR and Non-governmental Agency (as IP), and Government (as Host); **4. Asset Agreement:** for the receipt and the Right of Use of UNHCR Assets which is to be signed by all IP upon receipt of assets from UNHCR or upon purchased assets with UNHCR funds; and **5. Short Format of Project Agreement:** for projects of less than US$ 50,000. The bipartite and tripartite Project Agreement, Asset Agreements and Short Format are standard templates. The standard template consists of various annexes (project budget, description, workplan, staffing plan etc...) and fillable fields (identification information) that are tailored to the project. UNHCR is presently undertaking a comprehensive review of all Project Agreements.	**Standby Agreements**: agreements with NGOs, governmental agencies and private companies that allow UNHCR to engage external staff and experts from those organizations for supporting UNHCR's field offices in the context of emergency response operations	**Short Format of Project Agreement** (for projects of less than US$ 50,000).
UNICEF	1. **With implementation partners that are Governments, government institutions, no other formal agreement other than CPAP, Annual Work Plans (AWP) and letter of exchange are necessary.** The Country Programme Action Plan (CPAP) is the key jointly- agreed document on programme cooperation for the duration of the approved Country Programme Document (CPD), thereby assuring national authorities' ownership of the Programme of Cooperation and setting out clear roles, responsibilities and accountabilities. Responsibilities for programme implementation can be given not only to government institutions, but also, with Government concurrence, to civil society and non-government actors. Overall responsibilities and funding of CSOs in programme implementation should be clearly spelled out in the CPAP signed by UNICEF and the Government. The overall basis for IP agreements are the Basic Cooperation Agreement (BCA) between UNICEF and the country. As noted in response to one of the earlier questions, various processes and practices to handle disagreements/disputes are	**Standby Agreements**. This cooperation implies that external staff and experts in various areas can be made available to support UNICEF's field offices operating in emergencies	**SSFA**: up to USD 20,000. Total amount of a Country Office's SSFA cannot exceed 10 % of the total programme budget within a year. **PCAs** are used in two financial formats: a "more complex" PCA format (>$100,000) and a "light" PCA format (<$100,000)

Organization	Types of agreements	Emergency and/or fast track procedures/agreements	Differentiation btw. large and small scale agreements
	outlined in the BCA. There may additional details specifically outlined if necessary in the Country Programme Action Plan also signed by UNICEF and the coordinating Ministry of the Government of the host country. 2. **On agreements with IPs who are either civil society organizations or NGOs, there are specific formats for PCA, MOU and SSFA agreements:** **(a) Programme Cooperation Agreement (PCA):** Engagements that focus on the collaborative implementation of a jointly-developed programme or set of humanitarian interventions, within the framework of a UNICEF Programme of Cooperation or UNICEF-supported humanitarian response, are governed by a Programme Cooperation Agreement. In such collaborations, UNICEF provides support to the civil society partner strengthening its participation in the implementation of the programme, through the transfer of supplies and equipment, or cash, to the partner. Having identified a partnership as being suitable for the Programme Cooperation Agreement modality, UNICEF then identifies which of the two available agreements ("light" and "more complex" PCA) is appropriate for the particular partnership – based on criteria of the nature, duration, and complexity of the partnership and the amount of UNICEF resources being provided to the civil society partner. **(b) Small Scale Funding Agreements (SSFA):** Engagements that are similar in scope to PCAs but do not have a value that exceeds USD 20,000 in terms of funding and/or the equivalent value of supplies as a single or cumulative set of transfers to an individual CSO in a calendar year. In addition, the total amount of a Country Office's Small Scale Funding Agreements (SSFA) cannot exceed 10 % of the total programme budget within a year. **(c) Memorandum of Understanding (MOU).** Collaborations that are broadly focused on the joint pursuit of identified common goals and are undertaken with each partner's existing resources, without the transfer of resources from one partner to the other, will normally be governed by the MoU.		
UNODC	A standard **Financial Agreement** is generally used for any cases where there is a commitment of UN funds. This agreement contains all the clauses needed in regards to managing the instrument (termination, amendments etc.), as well as dispute clauses and financial operations. Activities covered by the agreement and associated budgets are annexed. The introduction of the Framework on the Engagement of External Parties (FEEP) will include new instruments including		

Organization	Types of agreements	Emergency and/or fast track procedures/agreements	Differentiation btw. large and small scale agreements
	Project Cooperation Agreements (PCA) for IPs and Grant Agreements for grantees.		
UNOPS	**1. Project Cooperation Agreement (PCA):** Government **2. Standard UNDG Inter-Agency Agreement:** UN agency as IP **3. Grant Agreement (grantees)**: when grants to a NGO and/or community-based organization		
UN Women	Standard agreements are used with different categories of IPs (and RPs): **1. MoU**: may be concluded for the purpose of declaring the parties' intention and commitment to work together in pursuit of a range of common goals and is meant to provide a general legal framework for the partnership. A MOU should not be used for the transfer of funds. **2. Letter of Agreement** and signed project documents: a) For Government Responsible Parties: with Governments, UN-Women signs LOAs that set out the project activities, goods, or services expected from the partner along with a schedule of payments and other necessary legal clauses No LOA is required if a Government is acting as an Implementing Partner. b) For UN Entity Implementing Partners and Responsible Parties. UN Women signs inter-agency LOAs to facilitate the legal and financing arrangements where one UN Agency transfers resource to another to carry out programmatic activities. **3. Project Cooperation Agreement (PCA)**:For NGO Implementing Partners and Responsible Parties. With NGOs, UN-Women signs PCAs that set out the results expected from the partnership along with the schedule of payments and other necessary legal clauses.		
WFP	**1. Field Level Agreements (FLAs):** are used with NGOs, non-commercial entities and non-UN multilateral and inter-governmental organizations (e.g. IOM) at field level. FLAs outline operational cooperation between WFP and CPs for food distribution, cash distribution, voucher monetization and implementation and monitoring of cash and vouchers activities.	**Standby arrangements**, intended to increase WFP's emergency preparedness capacity, govern the provision of personnel and/or support equipment provided to WFP in emergencies.	

Organization	Types of agreements	Emergency and/or fast track procedures/agreements	Differentiation btw. large and small scale agreements
	2. Memorandum of Understanding (MOUs) and **Letters of Understanding (LOUs)** are used with national government entities and govern the responsibilities of the parties with regards to food assistance activities under WFP regular projects. 3. At the global level: Exchange of letters and Memoranda of Understanding (MOUs) are used with NGOs, UN system agencies and non-UN multilateral and inter-governmental organizations. WFP uses two types of MOUs: **(a) MOUs on collaborative working arrangements** establish basic objectives and principles of cooperation; outline strategic ways of working and build on comparative advantages of the parties; **(b) MOUs on Standby partnerships arrangements** intended to increase WFP's emergency preparedness capacity govern the provision of personnel and/or support equipment provided to WFP in emergencies.		
OCHA[2]	CHFs and ERFs[3] **1. Agreement** within UN agencies **2. MoU between OCHA and the individual IP** (all NGOs)	**Standby Agreements.** OCHA maintains and signs cooperation agreements in the framework of emergencies to make external staff available to quickly respond upon needs.	
	Specialized Agencies		
FAO	1. FAO uses a **Letter of Agreement (LOA)** (MS507) which is a standard agreement for services from non-profit entities, including government entities. The LOA is a standard agreement and provides the same regulatory and enforcement framework for programmes of all sizes. The LOA is always accompanied by ToRs that describe projects/programmes details.	**Standby arrangements:** FAO introduces preparedness planning as standard practice at country level	

[2] There are 3 types of pooled funds managed by OCHA: (1) **Central Emergency Response Fund** (**CERF**): can cover all countries affected by an emergency. NGOs cannot access CERF funds directly. (2) **Common Humanitarian Funds** (**CHFs**) and **Emergency Response Funds** (**ERFs**): country-based pooled funds that respond to specific humanitarian situations. The majority of ERF and CHF funds are now provided to NGO partners.

[3] CHFs are active in Central African Republic, DRC, Somalia, South Sudan and Sudan. ERFs exist in 13 countries. CHFs and ERFs are complemented by other pooled-funding mechanisms, such as the Central Emergency Response Fund.

Organization	Types of agreements	Emergency and/or fast track procedures/agreements	Differentiation btw. large and small scale agreements
	2. Standard UNDG Inter-Agency Agreement (exchange of letters + MOU): for cooperation with other UN entities		
ILO	The main type of agreement used with implementing agents is the standard template of the **implementation agreement** (Office Procedure on Implementation Agreements, IGDS no. 270). The implementation agreement template may not be used in the following three cases: a) If the ILO intends to enter into an implementation agreement with another UN agency, the UN to UN agency contribution agreement template can be used; b) If the implementing agent is a national statistical office, a special agreement template for statistical services has been created; and c) For the implementation of technical cooperation activities of short duration and of a value below USD 30,000, approving officials can sign service contracts instead of implementation agreements. Standard templates of services contracts are available from the ILO Procurement Bureau.		**Service contracts** for technical cooperation activities of short duration and of a value below USD 30,000
UNESCO	The model **Implementation Partners Agreement** (Form AM7-10 of UNESCO's Administrative Manual, Item 7.5 Implementation Partners) **is used for all IP categories.**		
WHO	WHO uses a variety of agreements with IPs. The primary ones include: **1. Agreements for the Performance of Work (APW):** Generally used in the context of contracting for goods and services for the benefit of the WHO Secretariat. **2. Technical Services Agreements (TSA):** Used in the context of clinical Research and Development work. **3. Direct Financial Cooperation arrangements (DFC):** payment made by WHO in order to cover the cost of items that would otherwise be borne by governments in order to strengthen their health development capacity and ability to participate more effectively in technical cooperation at the country level. **4. Letters of Agreement (LoA):** is the general term used to describe a contract		

Organization	Types of agreements	Emergency and/or fast track procedures/agreements	Differentiation btw. large and small scale agreements
	with an external party which is not a WHO standard contract (APW, TSA, DFC) and they have multiple uses. **5. The designation of WHO collaborating centres (CCs) has a contractual nature.** There is a template agreement on which the proposed institutions and WHO have to add a specific set of terms of reference and detailed plan of work.		
WMO	**1. MOUs**: UN, Governments, IGOs. **2. Letter of Agreement:** Governments, governmental entities, research, academia. **3. Exchange of Letters:** Working arrangements with intergovernmental organizations and Working arrangements with non-governmental international organizations (ISO, IAUC)		

Annex VII

Sample List of Provisions and Clauses of Implementing Partner Agreements

I. GENERAL PROVISIONS

Section 1: Definitions

Section 2: Purpose

Section 3: Basic Project data

Section 4: Scope

Section 5: Language of Communications

Section 6: Duration of the agreement (entry into force and termination)

II. OBLIGATIONS OF THE PARTNER

Section 1: Representation and Warranties declarations

- Partner is a duly formed entity in its home jurisdiction
- Partner is licensed to operate where the project is located
- Entering into agreement does not conflict with or breach any law or obligation

Section 2: Partner's Role and Responsibilities

Section 3: Partner's Deliverables

Section 4: Responsibilities of Partner's Personnel

Section 5: Declarations of Compliance

- Declaration of Conflict of Interest
- Declaration of Non-Support for a United Nations Designated Entity
- Declaration of Pending Legal Processes or Investigations
- Declaration Recognising and Supporting UN Compliance Activity
- Declaration of Recognition that any False Statement/Declaration will result in Termination

Section 6: Use of Assets

- Storage facilities and access rights
- Property entitlement

III. OBLIGATIONS OF THE UN AGENCY

Section 1: Agency's Role and Responsibilities

Section 2: Agency's Contribution

Section 3: Agency's Personnel

Section 4: Grant of Supplies and Equipment to the Partner (written request required and reporting)

Section 5: Grant of Cash to Partner (written request required and reporting)

Section 6: Special provisions relating to Management and Expenditure of the Cash Transfer

IV. OPERATIONAL: Administration and Coordination Procedures

Section 1: Relationship to the UN Agency

Section 2: Relations with other UN Organizations

Section 3: Designation of Focal Points and a Programme Manager

Section 4: Regular Consultations: obligation to inform

- Partner will notify of any events that could adversely affect the project

V. USE OF FUNDS

Section 1: All funds should be managed appropriately

Section 2: Bank account details of bank that will hold funds (where applicable)

- Authorized signatories
- Assurance of account separation (one account per project)

Section 3: Exchange Rates

Section 4: Disclosure of other funding for the same programme/project

- Prohibition on double funding for the same project

Section 5: Unused funds

Section 6: Financial reports

Section 7: Subcontracting by the partner

- Covenants should also be applicable to Sub-contracting partners
- The partner is responsible for any loss or omission by sub-contracting partners

Section 8: Procurement by the partner

Section 9: Customs

VI. ACCOUNTABILITY: Reporting, Monitor and Evaluation

Section 1: Progress reports on implementation

Section 2: Annual Certified Financial Report

Section 3: Final Report

Section 4: Monitoring and Evaluation

Section 5: Responsibility for claims

VII. AUDIT AND INVESTIGATION

Section 1: Access to records

- Agency could not be denied accessing to records
- Denial of access/Information constitutes a breach which may result in immediate termination
- Records of the project have to be maintained for a period of seven years (Risk Management Unit)

Section 2: Audit

Section 3: Fraud investigation

VIII. SUSPENSION, Early TERMINATION and FORCE *MAJEURE*

Section 1: Suspension causes

Section 2: Reasons for early termination

- by the Agency
- by the Partner

Section 3: Procedures for termination

- UN right to refund of funds disbursed
- Restitution and/or indemnification in the event of:
  - Breach of agreement terms
  - Failure to complete the project
  - Evidence of fraud, diversion, misappropriation of assistance
  - Identified loss
  - Asset recovery to include all assets including stock that were purchased above requirement

Section 4: Termination by force majeure

IX. ARBITRATION

Section 1: Amicable Settlement

Section 2: Resolution of Disputes

X. STATUS, IMMUNITIES AND PRIVILEGES

Section 1: Status of the Partner's Personnel

Section 2: Immunities and Privileges of the Partner's Personnel

Section 3: Exemptions

XI. FINAL PROVISIONS

Section 1: Modification and Amendment

Section 2: Use of names, logos and emblems

Section 3: Confidentiality

Section 4: Copyright, Patents and other Proprietary Rights

- No use of United Nations intellectual property without license agreement

Section 5: Mandatory Code of Conduct policy that requires acknowledgement by Partners

XII. ANNEXES

- Programme/Project document with associated budget breakdown outline
- Programme/Project budget
- Programme/Project Work Plan
- Financial and Programme Arrangements
- Staffing table (Focal points and Programme Manager)
- Inventory of non-expendable equipment

XIII. APPENDICES (Templates)

- Progress Report Template
- Annual Financial Report Template
- Final Report Template
- Final Expenditure Report Format
- Monitoring and Evaluation Template
- Cash advance Template
- Third party form Template (where applicable)

Annex VIII[1]

Example of a Small Scale Implementing Partner Agreement Template

Based on the Country Programme Action Plan between the Government of [country] and UNICEF, UNICEF agrees to cooperate with [name of the organization] as described below.

1. Workpian results to which the small-scale funding agreement contributes: _____

2. Activity or activities to be carried out with the small-scale funding agreement: _____

3. Expected results/outputs to be achieved: _____

4. Starting and ending dates for implementation of the activities: _____

5. UNICEF will contribute the following resources:

a) Funds (US$ or equivalent): _____

b) Supplies: _____

c) Technical assistance: _____

d) Other inputs: _____

6. The [name of the organization] will contribute the following matching resources:

a) Funds: _____

b) Staff/people: _____

c) Equipment/in kind: _____

d) Other _____

7. (If applicable) Portions of the small-scale support will be transferred by UNICEF in the following stages:

Amount/Date _____

8. The Organization will provide the following reports at or near the given dates:

Reports:	Date:
Narrative	_____
Basic/simplified financial	_____

9. The resources provided by UNICEF will only be used by [name of the organization] in pursuit of the results as agreed to in 1-3 above.

10. The attached Project Proposal and Budget are part of this agreement.

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[1] Guidelines: UNICEF Programme Cooperation Agreements and Small Scale Funding Agreements with Civil Society Organizations. See annex II page 36.

11. UNICEF and the Organization will cooperate to monitor the results of this programme.

12. The Organization may only use the UNICEF name, logo and emblem in connection with this programme with the prior written consent of UNICEF.

13. This agreement can only be changed through an agreed modification in writing.

14. Place and date:

Signed:	Signed:
(UNICEF Representative)	(Head of CSO/ authorized person)

Annex IX

Audit Arrangements for Implementing Partners

	Type of Audit (Please see note below)*	Conducted by	Thresholds
UNDP	NIM	• Global audit firm • Private audit firms or consultants • Supreme Audit Institutions (SAIs)	• High Risk > 100K • Medium Risk > 300K • Low Risk > 600K
UNEP	Financial and / or Project-specific	• Private audit firms or consultants • Supreme Audit Institutions (SAIs)	All projects > 200K
UNFPA	NEX	• Global audit firm • Supreme Audit Institutions (SAIs)	All IPs >100k in UNFPA-funded projects
UN-Habitat	Financial	• Private audit firms or consultants • Supreme Audit Institutions (SAIs)	All projects > 100K (independent audits)
UNHCR	Financial Partner internal control Compliance with terms of agreement	• Private audit firms and consultants • Supreme Audit Institutions (SAIs)	• Government as IP > 100K • National NGOs > 100K • International NGOs > 300K
UNICEF	Financial[46]	• Third party audit firm • Supreme Audit Institutions (SAIs)	• Based on risk levels • All partnership > 500K in a programme cycle
UNODC	NEX and / or Project-specific[47]	• Private audit firms or consultants • Supreme Audit Institutions (SAIs)	• All engagements > 30K
UNOPS[48]	No IP specific audits	Audit Firm	*On demand*
UN Women	NEX	• Global audit firm • Supreme Audit Institutions (SAIs)	
WFP	No IP specific audits	-	-

[46] UNICEF external audits use HACT-TOR.
[47] UNDP technical guidance note "ToR for audits of NEX and NGO projects".
[48] UNOPS does not conduct audits but it is audited by its partners through the External Auditors (UK-BoA) and Internal Auditors (IAIG).

FAO	Financial (risk-based[49])	• Internal HQ-based and Regional Auditors • Private audit firms and consultants • Supreme Audit Institutions (SAIs)	• Head of Country Office authority: up to 100K • Regional representative authority: up to 200K
ILO	Financial (risk-based) and / or Project-specific	• ILO Internal Audit Office (IOA) • Private audit firms and consultants • Supreme Audit Institutions (SAIs)	Risk-based
UNESCO	Financial[50]	• Internal audit authority • IP private audit firms or consultants • Supreme Audit Institutions (SAIs)	• Internal audit < 150K • External audit > 150K International NGOs > 300K
WHO	Financial	• WHO Internal audit (Internal Oversight Services) • Private audit firms or consultants • Supreme Audit Institutions (SAIs)	
WMO	Financial	• Internal Oversight Office • Supreme Audit Institutions (SAIs)	
OCHA	Financial	• UN Internal audit units/departments (CHFs) • Private audit firms or consultants (ERFs)	All projects (no risk-based audits)

* *Note:* Does not address HACT related audits and audits conducted by the organizations' external auditors.

[49] For FAO management practices and / or IP related controls (Office of the Inspector-General).
[50] However, UNESCO has started applying HACT modalities as pilot in DaO countries.

Annex X

HACT Procedures Comparison

What is different with HACT[1]? HACT Procedures (partial list)	Old Procedures (non-HACT)
• UN agencies assess the environment in which government and other IPs work (done through assessments of the public financial management system (macro-assessments);	• The public financial management systems, or the environment under which cash is transferred to partners, is not assessed
• UN agencies assess the financial management capacity of individual IPs (micro-assessments)	• UN agencies do not formally assess the IPs financial management systems
• Based on the findings of the macro- and micro assessments, the UN agencies adjust their assurance and capacity building activities	• All partners and situation are treated the same
• IPs provide a certificate of expenditure (FACE form) which is subject to audit annual reviews, HACT audits, on-site reviews and – if needed special audits are conducted to receive assurance that activities and funds were implemented and used as planned	• For UNICEF: IPs submit receipts for their expenditures • For UNDP: the specifically created project account is audited annually
• The focus is on implementation of agreed activities and results	• The focus is on providing accounting reports
• Monitoring reports (FACE form and SPR) to be received quarterly, summing up all received and outstanding instalments	• Piecemeal reporting on use of funds
• Monitoring reports (FACE form and SPR) to be received quarterly, summing up all received and outstanding instalments	• Piecemeal reporting on use of funds
. No receipts required except for FACE form- IPs keep their original documentation and the integrity of their accounts	• Receipts have to be provided (to UNICEF) or separate project accounts have to be maintained (UNDP)- in both cases the accounting systems of IPs.

[1] HACT Framework- A Reference Manual- Bhutan 2012.

Annex XI

Major Challenges (Partial List) — As reported by Participating Organizations

A. Strategy/ Policy / Guidelines
• More emphasis to try establishing a real and strategic partnership with IPs. • There is a need to better understand the term cooperating partner, and not to treat them as sub-contractors but real partners. • It is important to see IPs not so much as contractors but as real partners. Real partnership should include mutual accountability and joint decision-making. However, it is a challenge to always achieve real partnership in this sense. • More efforts could be made to achieve strategic and long-term partnerships. • Have a more participatory and consultative approach and involve IPs more in programme design, aiming at full partnership. • How much independence and autonomy wish the organization to keep and preserve when entering into partnerships with third parties and IPs. The UN system needs to have strategic decisions on some of those issues. It would be important for the UN system to be neutral and provide best expertise with a clear results framework. • It would be useful to have a better and finer definition for IPs. There should be more focus on the definition of partners/IPs and some discussion on the issue among UN system organizations. • Not clear in which cases procurement rules would apply and in which contracting through IPs. Need to have some more guidance on that and/or guidelines. • Those arrangements with the government departments are sometimes closer to a contractual arrangement, the government acting like a contractor. • Need for having clear guidelines on CPs in general and also M/E. • For project level activities the IP policies would be easy to apply, but not so at the programme level. • It may be useful to have more detailed SOPs for certain aspects of the work with IPs and additional special frameworks for 'difficult countries' (conflict, post-conflict, emergencies etc.). • For small volume IP programmes the existing rules may be too stringent and cumbersome to apply, it would be good to have strict and clear rules, but at the same time some flexibility should be also there.
B. Coherence and Inter-agency Cooperation
• There is need to be also more coherence and harmonization among UN agencies on their working modalities with partners. • Need to be more coherent within the UN system at the country level for becoming more effective. • Potential double funding of IPs and sub-contractors, but this would come up in the cluster meetings and informal exchange of information among cluster members. • There is a lack of review by the cluster members when reviewing IPs, i.e. the budget details of proposals, as they would mainly focus on the programmatic side. For instance, they would not identify or object obvious questionable budget items, such as car rental fees of e.g. USD 6.000/month. • There is a need for better sharing of information on IPs among agencies operating in the same country. • There is also very little consultation among UN agencies prior to setting up contracts with IPs. It is rather done ad hoc and informally but not systematically. • Partnership arrangements and their effectiveness are very important for humanitarian interventions. If e.g. a partner is not working well and performing as agreed in the cluster this has an impact on all other actors involved and may distort the whole cooperation. • Harmonizing planning needs to be extended to implementation i.e. through establishing harmonize strategic frameworks for pending operational issues. • The double programming and reporting under the DAO led to an increase of workload and transaction costs. • Harmonization at the operation level under DAO would need to be supplemented with better harmonization at the HQs level. • The role of the RC which is essential for the proper functioning of the DAO and the overall cooperation and coordination between the national government, the UN system and member States. There is a need for commitment by all parties involved. • There is a multiplicity of reporting on the side of government IPs: some ministries have to provide internal reports to their government while at the same time they need to report to the organization. The DAO approach would maybe improve the situation.

- It is useful to have the donor on the project steering committee as appropriate, and similarly at the steering management group of the DAO.
- The UN will not get more resources but at the same time the call and need for NIM will increase. Therefore, the UN has to think not only from a programmatic side, how best and effective deliver in line with NIM, UNDAF and DAO. In his view, there is a missing interlinkage of the five principles of the Paris Declaration.
- More still needs to be done to better align the UN system process to the national government processes and structures and not the other way around.

C. Selection process

- There is often not much choice from which IPs could be selected.
- No or no suitable IPs in emergency settings (no choice). In this regard, UN system organizations may find themselves in a situation of 'competing' for those IPs.
- Organizations have very specific mandates which limit the portfolio of suitable and potential partners.
- There is a big diversity of partners UN Habitat engages with, such as partners from and operating in different regions. There are also differences regarding the presence, role and culture of NGOs/CSOs which is more developed in some geographical regions than in others. This has an impact on the choice of partners and also how to deal and engage with them. There is also a big difference among partners in terms of their performance.
- In some regions the district governments are friendlier and open towards NGOs than in others; this creates at times issues in selecting and engaging NGOs.
- The office works with about 400 IPs, which are all different. International NGOs have advantages but also challenges come with them. For instance, in a case in Lebanon, there has been an issue with an international NGO because of the political agenda of the NGO, while the NGO was very capable in terms of quality ad expertise.
- Other constraints to the selection are that some national staff or governments do not like some NGOs. There is also a challenge to get the right ethnic balance in the offices, i.e. where there are ethnic tensions in the operations country. In the field there is some flexibility needed.
- Our Executive Board encourages us to use IPs. However, first we would need to get the consent of the respective host governments to operate in their countries. Many countries are much government focuses and controlled, and hence they would ask us to work with government entities, e.g. their ministry of health but combined with demands on how to cooperate and other modalities. The involvement of and the cooperation with governments is a highly political and politically sensitive issue.
- Since donor and donor countries would push for their own IPs it would be useful to have a framework which would allow for more negotiations with the donors.
- Select the right partners and therefore a good selection process.
- Key is to select the right partner, i.e. one which has the capacity to implement the project.
- For emergencies there is a need to fast identify potential suitable partners which is a challenge.
- The main challenge is to identify credible partners among sometimes hundreds or more entities.
- It is important to identify the role and expertise/capacity of the government and NGOs depending on the area of the work and the nature of the project, and deciding based thereon for which projects government entities are engaged and for which NGOs.
- It is sometimes easier to work with international NGOs as they would have the appropriate capacity and technical skills and knowhow, which is not the case for some local or national NGOs.
- The success of the implementation depends a lot on the capacity of the specific NGO which are very different. It was noted as good practice to conduct pre-assessments of suitable NGOs in advance so that they are pre-vetted and could be engaged within short delays, i.e. in emergency situations.
- The HACT micro assessment may not look at a specific unit or sub-division; therefore it is sometimes necessary to supplement the HACT assessment with internal assessment of the specific Unit or division that engages an IP.
- There is a need for strong risk assessment and setting up a risk management strategy upfront with concrete measures ensuring that resources are used appropriately. This is very challenging, as it would require to well understand the risks, conducting a partner analysis including its capacities, abilities and practices not only once but on an on-going basis as partners are changing over time, e.g. if key staff is leaving.
- Need to determine if in-kind contribution of partners should be a selection criterion.

- Overall there is a lack of pre-screening at the country level. E.g. sometimes finance would still receive proposals pre-screened and submitted for approval, although the respective NGO had a negative audit report for previous projects. This is also due to capacity issues. For example, one field staff in Somalia would in average have to manage 66 projects in region, which is just not feasible.
- As identified in an internal evaluation, there is a need for a cultural change in dealing with partners, and i.e. improving partner selection and train of staff and of partners alike.
- It is essential to ensure that the IP possess the technical expertise and know-how for the project.
- For contracts amounting to USD 50.000 a lot of requirements are put to IPs for that, such as providing information, supporting documentation etc., in comparison to higher amounts where nearly the same level of requirements exist. Some potential IPs do not like it and may not apply.

D. Agreements

- General need to improve the delivery of services by IPs. In this regard it would be useful to also amend the LOA template accordingly but this was not done so far.
- We have long term agreements (LTAs) with suppliers at the country level for commercial procurement, but no for engaging IPs, because being tied to an NGO for a longer time period could be problematic if problems of delivery and reduced flexibility of the office to engage NGOs as need is.
- It would be useful to have a standard template agreement for IP engagements other than UN-UN case, but it was realized that there are challenges to it as other than the similar accountability frameworks of UN system organizations, the standards in terms of internal control, management and oversight are different depending on the type of IP and NGO. To this effect the situation differs from the UN-UN resources transfer template adopted by the UNDG.

E. Management, operational and timing issues

- IPs do not consistently subscribe to and comply with our organization's standards (e.g. on procurement, HR).
- There would be need to improve the current system of managing IP, i.e. in view of monitoring and auditing IP projects and work.
- There are at times delays of the quarterly reports to be received by IPs, which lead to delays in transferring the subsequent tranches and then the overall planning and implementation.
- Delays by the government IP to spend the money received by our organization and to implement the project in line with the agreed timeframes.
- One day-today challenges is to spend the resources committed in time, as internal government processes are at times slow.
- Receiving reports by IPs on programme implementation and final reports in time.
- Another issue is delay of implementation by implementing agencies and subcontractors.
- It is also challenging to get the right quality and implementation in time by IPs.
- There have been delays by the host government to sign the project document, which had not yet been signed.
- There is a need to reduce the number of LOAs as the administrative costs and also monitoring and following up on the LOAs is very difficult at the moment. To this end the threshold for delegation of authority for concluding LOAs should be increased.
- It is not possible and feasible to engage with too small and high number of NGOs and therefore it is advisable to rather work with bigger NGOs.
- High number of IPs for one or several programmes leads to some fragmentation and higher transaction and administrative costs.
- Due to a change of the our programming and budgeting policies it is very difficult to transfer funds from one programme year to the next, and this inflexibility poses addition burden to managing IP projects as for any transfers an exception must be sought.
- Security is a challenge and in this regard also the different security level systems/phases of the UN, other UN organizations and NGOs which are at times different. This puts constraints to operations.
- Our organization works with IPs in the field which is challenging is many respects. The environments themselves alone are difficult and there are issues such as often security constraints, humanitarian crises or emergencies.
- There is a trend towards more and more working with and relying on local partners, i.e. in difficult environments and countries, such as Afghanistan, Sudan, and Somalia. In those countries there are e.g. no banks, only one aspect which makes operations difficult and results in additional risks.
- Different programme cycles of the government (July-June) and DAO (Jan-Dec), causes problems and difficulties for programming, accounting and reporting.

- The AWP covers only a one year period which may be too short for proper programming and also the required procurement activities for IP projects.
- We use an annual programme cycle, which is not practical in view of all the constraints mentioned above, and it would be better, as explained to have longer planning cycles.
- The delay of funds through the HACT process and the X–Checker leads to delays of programme implementation of already short project cycles (one year for the annual work plan).
- Improvements are needed to have the resource transferred in time to the recipient government entities.
- There is some delay of fund disbursements to government entity IPs, as the funds go through the treasury before channelled to the respective government recipients.
- Funds are not always released as indicated in the agreements, which lead to further delays. This is due to internal government processes but sometimes there are also delays by UN organisations.
- There are sometimes late transfer of funds from the UN to the ministry, which is due to the national systems (channelling through the Treasury and the X-Checker system, and as the UN resources are mixed with the national budget which needs to be approved and allocated by the parliament), but also due to delay of releasing tranches of funding by U agencies, although it is because of late submission of the required progress reports by the ministry and its entities. Training from the UN helps the ministry to improve its reporting.
- High turnover rates of staff at IPs lead to delays of implementation and for this reason also additional training activities are required.
- There is turn-over of our programme staff which has an impact on managing IP.
- There is a need to coach and mentor NGOs throughout the implementation.
- Staff rotation and changes of staff at the UN agencies may lead to delays and problems as new staff would need time to understand the government processes and get up to speed.
- How to define in-kind contribution of partners and how to quantify such a contribution in financial terms.
- A challenge is the strong fragmentation of how partnerships at our organization are managed, and also the fact that there is no consolidated data available. Necessary to have basic information available at the corporate level and centralized.
- Two years ago we set systems in place to manage partners. The organizations much relies on partners for programme implementation. It will be a challenge how to manage the number and diversity of partners we are dealing with and to adapt the systems in place accordingly. It also has an impact on ensuring quality of partner delivery/outputs and for accountability.
- Strategic nature of our work: in some cases some partners are 'too aggressive' in doing their work (e.g. advocacy and awareness against illegal trafficking of endangered species) which was seen critical by some governments.
- It was noted that the internal systems in place do not support the management of IPs.
- At the field level more support from headquarters is needed to build up their systems to better manage IPs.
- One challenge for the database to maintain and keep it updated. Another is to have the analytical capacity to analyse the available information.
- NGOs in their proposals wish to cover all cost items, but in addition they claim overhead costs of 7%. The practices among international NGOs are that to request 100% cost recovery for their presence in the country of operation. It was suggested that this issue of overhead cost should be better addressed in the pre-assessment including through closer scrutiny of the presented projects budgets by partners.
- Other problems include sub-contracting which results in higher transaction costs for donors and it also leads to delays of transfer of the resources to the end implementing agency and the beneficiaries.

F. Budgeting, financial & administration management and accounting

- One reason why we call IPs CPs, is that is encourages and seeks CPs to bring in their own resources to the project and be real partner. In realty this does not happen always, and then there is a problem if we are the main or sole funding sources for those local and national NGOs that they cannot continue their activities if we would pull out funding.
- There is an inherent tension as to donors asking for sophisticated programme systems and accountability while at the same time the circumstance make it in reality very difficult to actually deliver.

G. Performance monitoring and reporting

- Monitoring is an area that would need to be improved.
- Application of guidance needed for SOPs for monitoring.
- Quality delivery and value for money by the IP.

- Need to strike a balance between accountability and real partnership. Need to have clear defined responsibilities, some partners have robust M/E systems others not.
- There is a need for a culture of responsibility and accountability of country office staff that need to feel responsible for the delivery of programmes also in the case it is done through IPs.
- The PD calls for this type of implementation modality and ownership of the government, but at the same time there is the problem of sufficient control.
- No resources for monitoring and evaluation is set aside or allocated otherwise by the agreement. This should be changed and resources for M/E provided as evaluation is aimed at reviewing how the programme is working and for collecting lessons learned.
- More needs to be done to have robust monitoring in place, including spot checks and verification of activities as reported by IPs. The monitoring activity also requires respective sets of skills, including programmatic and financial.
- There is no robust mechanism and monitoring plan in place for verification of expenses by partners, it is rather done ad hoc. There is e.g. also no verification/assessment whether value for money was received or whether there is double-dipping by partners in case they receive money from other donors.
- Programmatic performance assessments of IPs could be strengthened, including through clear targets and performance ratings of IPs.
- There is heavy reliance on the reports received by IPs, but no real monitoring and field visits take place. In order to address this issue the country office has undergone strengthening its finance and programmes staff, through new recruits and also training.
- Partner reports are not reliable, impeding M/E.
- Strengthen monitoring of IPs. While there is financial monitoring of partners, programmatic and substantial monitoring is weak. More spot checks needed.
- Timely reporting by IPs is an issue. Small NGOs do at times have difficulties in complying with the reporting formats which are rather cumbersome.
- Reporting by IPs is not forthcoming which results in delays of project implementation. In such and other cases there may be also field visits conducted.
- Monitoring of IPs operating in very re-located areas is difficult.
- Security in many operations areas is a serious concern, which i.e. makes monitoring and implementation very difficult, risky and costly. This also would require operations continuity plans and would require us more and more reverting to local contractors and refugee workers, which in turn pose additional risks to the operations i.e. for monitoring. It also has cost implications.
- Some environments themselves alone are difficult and there are issues such as often security constraints, humanitarian crises or emergencies.
- One of the major challenges to oversight on IPs is that the operations are in an environment not conducive for monitoring, due to insecurity and difficulties to get direct access to beneficiaries. Further there is usually a disintegrated institution environment, both at the national government counterparts but also in terms of inter-agency coordination with often more than 100 different entities involved in the process.
- The cluster lead agency has some sort of monitoring role at the cluster level although no authority over the other agencies. It was noted that collective monitoring is done for some of the pooled funds.
- It would be useful to change the 80% / 20% fund disbursement practice for IPs and to replace it by a risk-based approach.
- Monitoring may also be reflected and included in the individual performance evaluation of staff as possible.

H. M&E and Accountability controls

- While the rules for the selection are there, they are not always complied with.
- FLAs signed after the commencing of agreement.
- While the systems are in place, there is an issue with attitude in some instances due to a perception that the accountability processes and requirements pose an additional burden on the partner. The accountability is not very good.
- There is not always enough due diligence and monitoring done. This due to both capacity constraints but also willingness. Problem is also the environment in some countries where there are severe security constraints.
- M/E of IP needs to be improved and leveraged to a system-wide approach depending on the risk appetite of the respective UN organisation.

- An issue is also the transparency on the side of the partners. There is a need to provide more information on the funding they may receive by other bilateral donors, about their staffing. For instance, NGOs would provide long staff lists but is it not always clear which of the staff is actually working at a particular location.
- Keep a good balance between encouraging ownership by the partner and capacity building on the one hand and having adequate controls and assurance mechanisms in place on the other.

I. Audit

- Capacity of IPs in terms of internal control and accountability structures, i.e. in view of preventing corruption, mismanagement and fraud.
- It is important to be aware of the perspective of national government entities in different countries regarding corruption, fraud and ethics, which requires setting up robust control and accountability frameworks.
- Auditing of and cash transfers to IPs need to be improved.
- For partnerships with national government entities due diligence of partner is very difficult and many restrictions in this context are faced.
- If government partners are used for implementation, there is not much control on the services provided, the timeliness and their quality.

J. Investigation

- The working environment is high risk, as people think they would get away unpunished in the case of fraud.
- It would be useful to have some sort of mechanism at the UN system level to sanction certain IPs. There need to be more information sharing among UN agencies in a more formal way. However aspects such as confidentiality of the information shared need to be also addressed.

K. Capacity/ training issues

- The types of partners are very divers, ranging from international partners, to regional and local partners and government entities with different capacities, technical skills and sets of rules.
- Among the challenges faced when working with IPs is their varying level of competencies and capacities. E.g. some organizations present themselves as experts in areas in which they are not and then they would sub-contract some major parts of the work subsequently to third parties instead of implementing themselves.
- There is a question as to the level of efficiency of how UN organizations are contracting partners, guiding them and monitoring their work.
- The question whether to be able to deliver national capacity development/building or rather assisting in and providing strategic support/capacity for programme countries to develop.
- Some UN Agencies do not have the capacity to adequately follow-up on the implementation of LOAs after they have been concluded.
- One challenge is that some organizations do not have the capacity and the resources for adequately monitoring the activities of IPs. Lack of capacity also includes the lack of necessary expertise and technical skills for effective monitoring, such as e.g. staff familiar with financial monitoring. Training of country office staff is needed to that effect, also as in some organizations the turn-over of field level staff is high.
- There have been also issues with the quality of implementations with some government IPs.
- There are also capacity issues on the side of country offices in some countries to manage IPs. This has implications on the whole process, including monitoring and evaluation of IP work.
- Need to change the mind-set and enhance capacity to be more effective in achieving results through partners/IPs. It requires certain expertise, capacity and training of staff and structures in place.
- Further efforts needed to ensure better ownership by the partner of the project and further increase its efforts towards sustainable capacity building of the partner in line with the Paris and Accra declarations.
- More training on HACT is needed. At the same time it would be useful to have training for IP staff on how to apply and comply with internal rules and regulations, i.e. finance, accounting, and performance reporting.
- IPs do sometimes not have adequate capacity to deliver. For those cases technical backstopping is needed.
- The capacity of IPs, which is crucial for effective implementation of programme. In this regard, training and capacity building of the IP need to be provided throughout the implementation.
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- IPs would not deliver within the given timelines which would require rescheduling of activities and additional administrative

costs. This is also partly due to a lack of capacity on the side of IPs. Negative or critical reports on any of its main three constituents in relation to projects implemented by them are politically sensitive and therefore would need to be handled with care.

- There is an issue of capacity by IPs to monitor their operations and that aid is received by the beneficiaries.
- Capacity building and training is essential. High staff rotation at the IPs would require continuous training of IP staff. In this regard, it is useful to have a technical advisory and cooperation unit embedded at the government IP.
- There is a capacity issue at the side of the partners in terms of high staff turn-over, languages, management and reporting systems etc. which impact on implementation.
- More training of staff on the new IP guidelines is needed to get staff on speed in applying those.
- National government capacities need to be assessed at the selection stage and built during the implementation stage but at the same time, government IPs need to be made fully accountable for results and implementation.
- For certain country programmes in difficult countries (i.e. conflict and post-conflict), the capacity of government IPs is weak or not adequate which requires at times moving from NEX to DIM. A challenge is to have a smooth transfer from the one to the other implementation modality.
- The UN mainly works with governments and this comes with issues and problems such as capacity on their side, political considerations, effectiveness, value for money, corruption, and others. i.e. in many countries the UN works, such as post conflict countries, those issues are there and need to be addressed when working with government partners.
- NIM is not automatically equivalent to capacity building and that often under NIM there is 'de facto DIM' implementation in reality. It was noted that at the UNDG there are discussions on the NIM concept and the issue of capacity building. It is linked to the definition of national capacity building and the perception that NIM would be the most appropriate modality to leading to and supporting national capacity building.
- To what degree invest in national NGOs, in case they only have a short term arrangement, also question of national capacity building?
- There is a need to coach and mentor NGOs throughout the implementation. Ensure that the IP has the adequate technical capacity to actually implement the programme/project. In addition the IP also needs to have adequate financial and management capacity and structures in case it is a NGO/CSO.

L. Other

- Some NGOs much depend on funding for the operations including to being able to have adequate staff and management systems in place which makes them relying to the UN and may causes problems of sustainability and continuity in case funding decreases.
- Donor influence may happen in countries where DIM is used but not so much in those where NIM is the implementation modality.
- There is not a 'one size fits all' approach for the right implementation modality and framework.
- All agencies would compete for funding form pooled funds and may accept projects although knowing that they may not have the staff or capacities to implement them, which then impacts on all.